LOUISIANA TECHNOLOGY INNOVATIONS COUNCIL MEETING
Monday, August 12, 1998

Chairperson Renea Austin called the meeting of the Louisiana Technology Innovations Council meeting. to order. Marian Patterson called roll. Members present were Renea Austin, Bill Beyer, Tom Hagan, and Butch Speer.

Austin: Members of the Council, you have a copy of the minutes from our last meeting, which was held July 7th in front of you. Any corrections to those minutes, comments? Can I get a motion?

Hagan: Move adoption.

Beyer: I second.

Austin: Those minutes have been so adopted. Today's meeting is to hear presentations from agencies that have made proposals to the council for funding. This is simply a hearing today. We will not be voting today. For those of you in the audience, we are here to hear your presentations. We are reminding agencies that you are limited to 15 minutes for your presentation after which we will have questions and answers from the Council members. So with that, we are going to go ahead and get started. I would like to note on the agenda, #5 - Department of Public Safety and Corrections/ Correction Services has been withdrawn. With that, we will start with the Office of Women's Services. I=d like to ask those of you who will be presenting when you come to the table, please state your name and the agency that you represent for the record.

Simien: My name is Marian Simien. I am representing the Office of Women=s Services and I am accompanied by Ed Cook, also representing the Office of Women=s Services. Good Morning to the Council members and thank you for hearing us. I have to start up by saying I=m at a kind of double handicap appearing here before you. I have very limited technical knowledge, so I can=t speak about any of the technical aspects of our proposal. I just found out that I needed to come over here this morning. Unfortunately I wasn=t involved in the development of our proposal. I was asked to come over and talk to you about our agency to give you an idea of our structure and of how this proposal would fit into our structure. Ed will talk to you about the technical aspects of the proposal and answer any of those questions. I will be brief. Basically, the Office of Women=s Services is an advocacy and service agency that primarily serves the women in the State of Louisiana. Our headquarters office is in Baton Rouge and we have service offices in five major areas in the State. Those are located in Lafayette, Lake Charles, Shreveport, and New Orleans. A major portion of what we do is to provide innovative services particularly in the training area for women who need to improve their ability to become self-sufficient. We also have a very large program that deals with the area of domestic violence. Those programs are located around the State in 18 different cities.

The proposal that you have before you is a request to assist us in taking advantage of technology to expand our services. Our idea here is that if we are able to have this proposal funded, it will allow us to reach many more of the people that need our services without having to physically expand our service sites. What the proposal is proposing to do is to give us the opportunity to offer in the field,

through local area network and wide area network and video conferencing, services to a larger range of people. Particularly, we are interested in the area of non-traditional training for women. What we have found in our work is that this is an area that offers a broad opportunity for women to improve their abilities to support themselves and their families, but we are limited right now to just three training sites and to the services that we can offer at those three sites. What we=d like to do with this proposal is to develop the ability to recruit and present orientations to women in all areas of the state regarding non-traditional training. We would then work directly with other training facilities in the rural areas to try and improve the ability of women to get into training in the non-traditional area. By non-traditional we mean those areas where women represent less than 25% of persons in a particular occupation. We are particularly interested in the blue-collar occupations. That's our expertise. We train right now in what we call electro-mechanical technology. And we receive a lot of calls and a lot of interest in that particular area from people that we cannot serve because we are limited to the number of sites that we ourselves can run. This particular proposal will allow us to serve many more people and provide the information on what's good about non-traditional work for women and also to give them information on how to get into those particular jobs and how to succeed in that work place. The other big area is the domestic violence area. Again, we have a problem in getting out to people information about the services that are available. Our idea is to be able to link with other service sites, particularly with libraries in rural areas to be able to provide on a regular basis information about domestic violence, information about services, information referral information that they would need in order to improve their situation. So I am here basically to answer questions about our programmatic structure and to give you any information that would be helpful in your consideration of the technical part of the proposal. Ed did work on the proposal and is here to talk about the technical aspects of it.

Cook: Good Morning. My name is Ed Cook. As far as the technical aspects of this, the concept was to provide a method to reach out to the rural areas of the State from our base training sites in the larger urban areas to provide mini lectures on subject specific seminars that could be presented to a public library site for example through a video conferencing teaching method. That would allow us to use current existing Internet technologies and allow us to use wide area networks in accomplishing this. Another aspect would be the use of an 800 system with automated responses as far as disseminating the availability of information to women who are in need of our services that could be directed to a specific training center, an employment resources, etc.

Simien: Basically, that=s an outline of the proposal as it is written. Are there any questions?

Beyer: Do you have a technical staff or how do you propose to provide the technical support for this application and are you partnering with other state agencies?

Simien: Right. That=s one of the things that we are working on is partnering with other state agencies. It is not fully developed at this point. We do have some knowledge within the agency in that as part of our training we have instructors who are familiar with the technology we are proposing to purchase. But that is an ongoing concern that we are working on. I think our most efficient way is to partner with other agencies who are interested in doing the same thing.

Beyer: Are there any existing staff at this time Ed?

Cook: At this point there is no specific IS staff. Its been developed through the instructors

who have technical expertise in this area.

Simien: We have instructors in 3 of our locations who have that expertise.

Hagan: When you say you have instructors that are familiar with that expertise, you are talking about video conferencing I assume.

Cook: Not just video conferencing, but networking, hardware, trouble shooting, and setting up such networks, etc.

Hagan: I guess in reading through your request, installation of local area network in and of itself is not particularly innovative, because they are all over the place, and most state agencies have them. I understand you don=t have the funding to do that sort of thing. But it does require some expertise in-house to monitor and to maintain the network. Wide area networks have been used by state agencies for many, many years. The thing I have a concern about I think is that your proposing to use video conferencing over ISDN lines. ISDN lines typically run at 56KB and can run up to 128KB. That is not sufficient if your going to have true video conferencing. I know a lot of companies out here are selling that idea of using that over the Internet. Your not going to get broadcast quality for that kind of band width on a network. So I would strongly urge you, I think, to take your request back and work with the Division of Administration and the Office of Telecommunications Management. Because they are putting in a video conferencing service. In fact it has just been put into place. And they may be able to provide this service for you. May be not necessarily in your particular location, but at least one within the cities near you or within the same city. So I guess, just from my own opinion of this I think you have some good ideas, the things you want to do. I think you need some technical guidance in some of this. I don=t think you can totally rely on vendors to come in and give you that because you won't be able to support it in-house.

Austin: I guess my question is a programmatic question in terms of how your clients are going to access these services.

Simien: OK. Basically we see it as a cooperative effort with libraries in the areas that are developing this capability. In many of the rural areas, the libraries will be a centralized location where we could actually beam our information to the general public. We are particularly interested in those areas where we do not have programs, and in those parishes that surround the major cities where we do have programs. It is not fully developed of course at this point, but we have been in contact with certain entities in those areas and are working to resolve those. Our idea is to use existing facilities.

Speer: Have you actually identified these outlying possible sites where your tele-education could be received? Do you have any idea of how many there are in the state that are setup to receive what you are proposing to broadcast?

Simien: I do not know at this point. As I said, I=m kind of pinch hitting this morning. But I do know that some work has been done on that and we could get back to you the one=s that have that.

Speer: Mr. Cook?

Cook: That=s not something I=ve worked on.

Simien: We can get information back to you on that.

Austin: How many clients do you currently serve?

Simien: In our training programs we serve about, we actually train about 400 - -I=m sorry about 640 people a year statewide. And of course the program serves in access of 10,000 a year.

Beyer: In researching that question, I would urge you to talk to the Louis Group, which is a state library group which has a presence in all 64 parishes.

Simien: Right. I believe that is the group our director has been talking to. I=m sorry that I=m not more definitive in what I can tell you, but as I said it was kind of a last minute pinch hit for me, but I believe that is the group that she has been talking to.

Speer: Do we know, just on the Council whether there has been funding for the parish libraries to be a receptor for tele-education? I mean are they going to have the ISDN modems and I guess classroom setups for this to be effective. I would hate for us to go and you to invest whatever money they is and then find out that you can only beam it to the community colleges and the major universities and then find that they are not going to make their classrooms available to you, because you are competing with them.

Cook: I do know that the rural libraries have an access to the Internet and those kinds of services as far as the video conferencing.

Speer: But this proposal is not to create real video clips and place it on a web page somewhere where people can download and watch it. It is to actually have an interactive tele-education system as I understand it. Where the person standing some place in Baton Rouge can actually have an interactive conversation with the people out there wherever. As we all know that includes the ability to send back the video and voice image as well as receive it. And it certainly would be very possible that we=ve funded the heck out of that and I don=t know it, but

Austin: The only thing I=m aware of is the Internet based applications in the public libraries throughout the state at this time. Any more questions from the Council? Thank you.

Simien: Thank you for hearing us.

Austin: Next we will hear from the Department of Health and Hospitals. Before you begin I would like for the Council members to note that Tom Burkes is here as well for any questions you may have on his technical reviews or of the agency folks.

Castille: Good Morning. My name is Charles Castille. I=m the undersecretary for the Department of Health and Hospitals. With me are Steve Gerhart who is our manager of our DHH training and staff development; Barbara Dodge, who is assistant administrator at Southwest Louisiana Developmental Center, who is going to discuss the receiving end of this thing; and Billy

Yarborough who is our project manager. I=m going to give you a simple introductory statement. I don=t profess to understand a lot of these things except to say that I think it=s a good project. This is the DHH Compressed Video Pilot Project. As most of you know, I=m certain, the fund was developed to provide technology innovations that would provide new incentives to state agencies to reinvent current practices by using technology to deliver needed services. Essentially the phrase I guess to some extent Electronic Government, which we hear about.

This project specifically would create a network of DHH sites that=s capable of receiving, sending, and sharing high quality voice and video communications for tele-medicines distant learning and tele-conferencing. We plan to use this -- these sites will be scattered all over the state from Northwest Developmental Center, Central Louisiana State Hospital in Pineville, Pinecrest Developmental Center, Leesville Development Center, and Southwest Louisiana Developmental Center, and in the future we hope to expand it to other sites potentially for example Hammond Developmental Center. And what we are going to use are advanced tele-communications services in conjunction with the Office of Telecommunications Management. As Tom Hagan has indicated they=ve just setup a system and we=ve been in close contact with them to be able to utilize the services that they now have just been able to provide to us. The request is for 24 months of funding for a total of $736,000. We estimate that overall cost over 5 years would be about $1.35 million dollars. And based on the success of the pilot, we hope the success of the pilot, we would envision maintaining not only the video network, but enlarging it to encompass all nine regions. One of the parts of the program that I find particularly useful is I=m sure some of you have heard about our situations involving the Department of Justice in terms of investigations at Hammond and Pinecrest Developmental Center, and as a result of these looks at us by the Department of Justice we were able to get a significant amount of appropriation from the legislature to provide additional funding. Some of the issues that the Department of Justice is looking at both Hammond and Pinecrest have to do with training. And we believe this particular pilot program would be of immense benefit to transmit knowledge that we would have to give to new employees, because we are going to have a lot of new employees particularly at Pinecrest, where we can transfer this knowledge and we would hope that we would make immediate use of this pilot project so that we would be able to see the benefits in months rather than years. Having said that, I would like to turn over our presentation to Steve Gerhart.

Gerhart: Thank you Mr. Castille. Steve Gerhart, manager of training and staff development with the Department of Health and Hospitals. Good Morning ladies and gentlemen. As the training officer at DHH I=m particularly excited about the potential for this project. I think it can bring the commitment of the Governor to training for State employees and the initiatives of the under-secretaries and their STARS report. But I think the nuts and the bolts of the project have been we hope well described in the proposal we presented in November and then in supplementary information you requested and we returned last month. Perhaps best to demonstrate some of the potential of such a project is experience that Barbara Dodge has had we compressed video at Southwest Louisiana Developmental Center. So I would defer to Ms. Dodge to give you some sense of what that has been so far.

Dodge: I=m Barbara Dodge. Good Morning. On January 12, 1996, after about 12 months of communication with various individuals, Southwest turned on the tele-medicine equipment. It was provided to us through a rural health outreach grant through the U.S. Department of Commerce. The first encounter was a trek encounter. And that morning we visited sites in Lake Charles at Moss

Regional Hospital, South Cameron Memorial Hospital in Cameron, and LSU Medical Center in New Orleans. We did all of that in about 1 hour. And from Iota that=s a far piece. And that was pretty exciting. Later we actually have the opportunity to visit Church Point down the road via tele-medicine in DeQuincy. All of these were members of a southwest consortium in Southwest Louisiana Consortium. We had the opportunity to be included in year 2 of South Cameron=s Memorial Hospital Rural Health Outreach Grant. Today I am pleased to tell you that we=ve had 285 successful tele-medicine specialty contacts. Some of the specialties included psychology, neurology, orthopedic, endocrinology. The objectives that we were given as being part of that initiative was to demonstrate the use and application of neurology and psychiatric in the arena of tele-medicine. We were also asked to provide protocols or proposed protocols for best practice for this application. Another was to provide access to rural Southwest Louisiana, access and application for the folks in Acadia Parish and nearby areas. We were also asked to demonstrate the application of tele-medicine with individuals with developmental disabilities who sometimes have a lot of difficulty finding specialty physicians who have knowledge of their specialized need and who also have difficulty at time traveling or adapting to unfamiliar health care environments. Throughout the project, along with LSU Medical Center and South Cameron Memorial Hospital, we completed satisfaction surveys and collected that data. The participating doctors, patients and families, other professionals involved had a high level of satisfaction. In fact we had no dissatisfaction. Access and availability of these specialty consults has greatly enhanced health outcome for the people who have been involved. The grant provided us in one sense very little. It provided us with the cost of the equipment which was $35,632 and it provided for the initial TI cost of that. And that fluctuated based on the rural tele-communications costs and the ladders and things that we could get into. But it ranges about $4,200 for a total of $39,832. We tried to do an evaluation of how effective this was not only antidote and for the people we supported, but also through the cost arena. And so this is strictly for a small snapshot in time, but when you consider the cost of travel sometimes for highly specialized services to New Orleans or Lake Charles or Lafayette, the cost for these 285 consults would have ranged in the $222,000 area.

With tele-medicine, including the staff time, the cost of the equipment and so forth, the cost was $120,000. That=s a savings for that moment in time of $101,000 in that neighbor. We did not receive staff. And so what support did we get? We got support through the vendor, through the consortium, and we provided staff who actually learned the technology. And I being one of them can tell you that the technology is relatively easy. It sounds like star wars stuff, beam me up Scottie kind of stuff, but it is actually a lot easier to interface with and to work with than one might imagine. The benefits were numerous to the folks we provided support to. Of course it increased the access and as Mr. Castille said, the Department of Justice issues can roll out from that. There are many, many applications that we can see with that. It increased the availability, it increased health outcomes due to that availability. There was reduction in staff and travel time. A 3 to 4 hour trip to New Orleans from Iota usually means an overnight stay. And roads you know coming through Baton Rouge is really difficult. So it is hard to give you an exact amount of time, but you can imagine in some cases what that can be. We also got very timely and excellent consultation. We also received quality continuing education for employees. Real hard to let staff on duty get away for that. Professional staff need that continuing education. But we have the inability to travel or to actually let people off where they can walk right down the hall and over the course of time have received 31 continuing education courses using this method. You know Louisiana is always at the bottom or top of some list, but I=m proud to tell you that we were able to represent Louisiana in places like New York and Washington DC. We were able to provide information to others who have

a high interest in this. And so in summary I think, I need to tell you that the grant has expired, and we are essentially living on borrowed time through the grace of many things. We picked up the cost of the TI line and the equipment was left to us graciously by South Cameron Memorial Hospital. But in order to insure the continued availability for the future for our staff, for our clients, for our families, the other people we support, we are anxiously requesting that you consider this and for its applications for citizens across Louisiana. Thank you.

Gerhart: Note that the fund has been created to be an incentive to accelerate not the invention but the implementation of Electronic Government. We are hoping by this project to extend Barbara=s experience throughout the department with a system that=s fully inter-connective and inter-operational with other existing systems wherever they may be. We had just received July 1st a letter from OTM Director Bud Lanier saying that OTM is now prepared to offer video conference service and equipment to state government. With that just now in place I think DHH=s labors can come to fruition through the DHH pilot project by demonstrating the value of video conferencing for similar state agencies and by testing the adaptability of selective equipment for a full range of uses. We propose to use the same system in each site for both diagnostic quality tele-medicine, tele-learning and the convenience of tele-conferencing. So we really believe the funding of the proposal will enable DHH to employ state of the art technology to achieve far reaching benefits to state government and to the citizens we serve. We are joined by Billy Yarborough from Villa Feliciana Medical Complex who is the project director and we=d be happy to hear questions.

Austin: I have a question and it=s perhaps for Charles. What is the amount of your proposal? In the original proposal it was $794,000. In the additional information we requested, your fiscal note was $555,00 and this morning you said that the proposal was $736,000.

Castille: Basically the $736,000 is based on 2 years of funding.

Austin: In the proposal it was based on 2 years and it was $794,000.

Castille: I have to confess some unfamiliarity with the proposal, but basically the information right now would indicate to me right now our proposal in our presentation to the Council as it stands now is $736,000 for a 2 year period of time.

Gerhart: I apologize for the confusion. But in the interim since the development of the proposal, OTM has of course standardized some of these costs.

Austin: I understand. But in the additional information we requested, there was a fiscal note attached and it was for $555,000 for one year. Also, in the fiscal note it says that this proposal assumes no savings. However in your original proposal it was estimated it was stated that there could be as much as $476,000 in estimated savings.

Castille: Essentially we=re viewing this as a pilot. Our hope quite frankly is to demonstrate savings. We think there will be savings. However, we wanted to be candid in our proposal that we could not guarantee savings. And quite frankly we wanted to have a proposal before the Council that would put its best foot forward but at the same time not have an iron clad guarantee that there would be these savings. And so I guess the best way that I could explain it is that there will be savings. We think there will be savings in the amount that we have submitted in our fiscal proposal,

but I guess in terms of hedging our bet we wanted to say that we're not absolutely guaranteeing savings. We think there will be however.

Speer: Mr. Castille your proposal is that you ramp up half of your distant sites, and that's a pretty large pilot. In fact I think that stretches the definition of pilot when your asking for half of what you want. You know to me a pilot is what you've been doing over in Southwest Louisiana and you want to expand on that. I have some questions about your cost estimate though. It seems to me that your equipment cost is understated. In your original proposal you have the basic tele-medicine classroom which is I think what you've priced out at $100,000. And then you add in on page 9 a diagnostic camera, a micro camera, a camera adapter, and I can't pronounce these words, but a rinofibroscope. But you say it still costs $100,000. What I don't understand is are you actually asking to put in a basic setup or are you asking to have us fund these additional specialized diagnostic tools. Is this going to be tele-medicine or is this going to tele-education?

Castille: I think it's going to be both, but if I could ask Billy.

Speer: Well if it is both, I don't think you adequately stated the cost.

Yarborough: Where are you looking?

Speer: I'm looking at your November 20, 1997 submission. Mr. Yarborough, on page 2 and on page 9. On page 2 you talk accessories of slide transmissions, video computer screens, chalk boards none of which is in your equipment list. So obviously that is either something you're going to provide which you didn't make clear or it's something that is possible through tele-education that you are not going to use. Then on page 9 after you talk about your basic tele-medicine classroom conference system of $100,000 you go into as well as diagnostic camera, micro camera, camera adapter for specialized equipment such as rino whatever fibro scope. But you still say the cost is $100,000. Are you going to get this equipment or not?

Yarborough: All right. What we did was once the State, OTM set the proposals up for the 3 tier for the equipment. I took that information that was set in State Purchasing and went back on the proposal that we sent to you July 27, 1998 . The way the State contract is setup is 3 tiers of video equipment. And in each tier there are 3 vendors. So we basically took their equipment list and tried to modify it into what we were looking for. What we intend to do if you will look, we intend to take the conferencing or the educational classrooms, add a 3 chip camera to it and do our tele-medicine and conferencing with that rather than go to a true tele-medicine unit which is with the options that you stated earlier. So we've adjusted that to be more or less innovative with what we are doing using only a 3 chip camera rather than all the add ons that go with the tele-medicine units that are existing.

Hagan: In looking at that same sheet, it looks like to me that it's $100,000 per site and there were five sites. Is that correct?

Yarborough: Correct.

Hagan: So you think for a $100,000 per site you'd be able to provide that basic classroom and tele-medicine equipment?

Yarborough: Yes Sir. What we=te looking at is using the full T1 line instead of the ISDN lines. And the reason being is that the full T will give us advantages down the road in the future. We=ll probably be running at a 384 speed on the T1 for our conferencing, possibly a full T1 for our tele-medicine depending on what the doctor request. The T1 is a lot more flexible than the ISDN as you discussed earlier.

Hagan: From everything that I=ve been able to read and research on the topic for tele-medicine, your going to have to have T1. You do not get the band width and the quality necessary if you run less than that. I think ya=ll did a good job in putting your proposal together and providing some excellent information. One question though I had - - Are your facilities such that they basically would be dedicated to DHH or could other State agencies perhaps utilize any of this?

Dodge: Can I speak to that? One of the things that I failed to mention to you was the continuing education that was provided to our staff was also offered to the community. And community we also had community participates in the specialty evaluations. I think all of the centers see themselves as regional resource centers and would be more than happy to include to the extent possible with staffing issues and so forth a wide variety of usages by others as well as the one=s we=ve stated.

Hagan: Another question I had. You have two facilities in Pineville. One of them in Central Louisiana State Hospital and the other one is Pinecrest. Is there any reason that you needed both of those as opposed to having one facility there?

Castille: I guess the mission of Central is a mental health hospital. The needs may be somewhat different. I can see that there might be some potential obviously for some economies there. Pinecrest though not geographically far apart, but in terms of programmatic and kinds of issues they would serve would probably be different. They are also two very large institutions. I=m not sure that maybe a common site would necessarily accommodate the needs of both.

Hagan: OK.

Beyer: I didn=t understand the Department of Justice. You mentioned the Department of Justice that there was going to be some partnering or you were going to offer this to the Justice?

Castille: Well it=s kind of enforced partnering I suppose. For several years ago, the Department of Justice initiated an investigation on conditions at Pinecrest State School. They did a similar investigation at Hammond just a few years after that. They are doing so under the Civil Rights for Institutionalized Persons Act. They have not filed a lawsuit. We are hoping to avoid that quite frankly. As a result of the investigation, we went to the legislature in this past session and were able to get significant amount of funding, particularly for Pinecrest for new staff to meet essentially the demands that Justice has placed on other States in similarly situated circumstances.

Beyer: OK. That=s over my head. My point in asking the question was there=s some of these with this recurring theme where if the Louisiana Department of Justice and you or and Women Services can share some of these resources particularly with the video conferencing I know that=s hard to do. You are in different structures. If I was with the Women=s Services I would hope they

would come see you right after this to see if they can partner with you. The other question I had and we see it at LSU very plainly. Did you insinuate that your pilot that was funded with federal money the monies dried up and you have no funds to do maintenance and support that particular pilot?

Dodge: Southwest Development Center took over the charges for the T1 cost out of our budget. And as for as the equipment, it resides with the original grantees and they have been gracious in allowing it to stay where it is.

Beyer: Well I can speak from the LSU experience particularly with grant money that applications like this with technology they don=t run by themselves. So those support issues long-term should be critical to you or the legislature or whatever because you can be very dependent on this, but without the money it is going to die.

Dodge: Most of the individuals that we have spoken with across the United States are starting to see this kind of equipment as part of the cost of doing business sort of as computer is or maybe an adding machine was years ago. That=s probably how we need to be looking at it for the future.

Speer: Mr. Castille, what is the IT budget of DHH?

Castille: I don=t know, but I can find out.

Speer: What is the State general fund budget? Do you have how much State general fund dollars that we put into DHH?

Castille: Well the overall budget for DHH is $4.2 billion.

Speer: But a great deal of that, at least 3 quarters of that is federal money.

Castille: Yes. Generally for purposes of Medicaid, I can speak specifically. State general fund is approaching $1 billion.

Speer: You have no idea what the IT budget is?

Castille: I would be guessing.

Speer: Do you know how much reversion money you guys sent back to the State last year?

Castille: In terms of our last estimate and they aren=t fully completed yet, but for example for Medicaid we believe that we are going to end up with a surplus of about $20 million which is going back into the State general fund.

Speer: And the non-Medicaid you have no idea what the reversion was?

Castille: No, but it would be significantly less obviously.

Speer: Obviously. Somewhere in there there=s not $500,000 that you could invest in this project?

Castille: No, I=m not suggesting that, but I think what we=re saying is that budgets are tight. DHH=s budget, for example over the last 4 years has been relatively flat. We quite frankly are looking at any and all means to try to avail ourselves of funding sources.

Speer: In any of those 4 years was there a year when you did not send money back to the general fund? Non-Medicaid money?

Castille: No. I think in every year there was money sent back.

Speer: Would we be safe to say that it exceed $500,000 in each one of those years?

Castille: Yes.

Speer: So this could be found I think. I mean we=re not talking about unlike Women=s Services who has a very, very small budget and doesn=t if they send money back, they probably send it back in 3 and 4 figure amounts and not in 7 and 8 figures amount.

Castille: I guess I can say in response to that, I guess only 2 things. One thing I don't think we ought to be penalized in terms of our size or in our efficiencies for that matter in the sense of sending money back to the State general fund. Basically there was a fund available through the initiative of the undersecretaries and we saw to make use of that fund in an area where we traditionally have not been able to get funding. And quite frankly since we felt we met the guidelines of the Innovation Fund we thought we ought to apply.

Speer: No, I understand your applying, it=s just you know this is not like TOPS. It is not funded to meet whatever the needs are. There is a limit. And the request that we have exceed the limit. So I think it=s just incumbent upon us to ask when it is applicable if not, if an agency really can=t fund this within their own budgetary structure. I know that the Office of Planning and Budget said that it wasn=t within your budget proposal and wasn=t funded in a straight appropriation, but it seems to me that you could find the money, you could go to the budget committee and get it approved to invest in this if in fact you're going to have your normal reversion amount which is I would venture to say well in excess of $5 million a year out of non-Medicaid money.

Castille: I would think so.

Speer: I mean we=re talking 10% of your normal reversion money or a much smaller percentage than that.

Castille: I guess I can say I understand the reason for the question. Certainly I think it=s a question that is appropriate. I guess the other point I would make is that reversion money doesn=t always necessarily end up being found money for the agency and in most cases it isn=t. And it does go back into the State general fund where priorities are looked at.

Speer: But it goes back if you don=t go to the budget committee and ask for another use for it.

Castille: That=s true.

Beyer: Personally I don=t know what reversion money is.

Speer: That=s because you guys get to keep yours--just like we do.

Beyer: The point I was going to make, one of the objectives I think of this fund is to and I am prejudice to make the point that technology has changed very rapidly and what was a nicety some years ago is now strategic to the State and to the agencies. So I think everyone is getting educated here including the legislature, but we have to rethink what is a priority and what isn=t. Years ago this would have been, well kind of a fun techi project. These things are crucial. So whether the decision you make at your agency level or whether we make it here, we have to get a new mind set of how important these projects are to the future.

Austin: Just to add on to what they=ve said, I guess my only concern is the ongoing cost after the 24 months of seed money is up there. Because you all are talking about adding a project manager and you say that the equipment will have a 3 year warranty, but in the outlying years the ongoing maintenance of that and then those costs associated with like she said on the initial pilot they have been gracious to let them keep it, but will the agency absorb all of those costs in outlying years.

Castille: And I think the answer is yes we will have to primarily for the reasons that you just stated.

Austin: Thank you.

Castille: Thank you.

Austin: Next we will hear from the Division of Administration=s OSRAP.

Karlton: Good Morning. I=m Howard Karlton of the Division of Administration, and accompanying me is Diana Williamson who has been appointed in the Division to assist us in strategic planning. She was also helpful in accumulating the information in the original grant proposal. I am the director of the Office of Statewide Reporting and Accounting Policy normally called OSRAP. The functions of our office is to compile and publish the Financial Report. We are also responsible for permeating the accounting policies of the State, the maintenance of the State vendor file as well as the monitoring and the maintaining of the State=s financial system called ISIS. We are asking for a grant to pay for the installation of an imaging system to solve the space and the access problems within OSRAP. Additionally the system will have the capacity to accommodate other sections within the division so that the cost per office will decline.

Does our grant request meet the requirements of the Technology Innovations Council? To us there are two kinds of innovations. The cutting edge sometimes called the bleeding edge or the leading edge technology. To us the cutting edge, it=s the newest thing on the block and it is something that also all the bugs haven=t been worked out of it and it has the additional development that is needed. Where as in leading edge technology, it is a product that has some history that can be viewed in operation and is a quantum leap ahead of what most offices are doing. What we=re proposing is a

leading edge solution to our problems. What will we have if the grant is given to us is a two fold application. Mainly there will be a file management system through imaging. But we will also have with the cooperation of other sections of the division, a code application. A code is an acronym for computer output to laser disk which would give us greater utilization of system information. What are the system benefits of the file management system that we are asking for. It is basically 7 items. The quick and easy retrieval of files is one of them. OSRAP has the responsibility of maintaining the canceled checks of a vendor or if an agency asks for a copy of the canceled check. As we issue around 500,000 checks a year through the central system, it is a very large file. We currently obtain copies of the checks from microfiche as well as obtain the original copies. In order to find individual checks we need the appropriate date the check cleared and then we search through thousands of checks on a roll of microfilm, print the check and fax it to the vendor or the agency that made the
request. Even this doesn=t always insure a find. The proposed system will allow us through indexing to find the check and in fact in this particular application it is automatic indexing, to find the check by the check number. And then after we have imaged the check, the copy that we get through the system will be perfect, easily readable and unlike the microfiche will cut down the retrieval time to seconds. The person looking for it will be able to obtain the copy from their PC and fax it automatically to whomever made the request. We will also have the simultaneous availability of files to all users, that we now have one microfiche reader. However each analyst has their own personal PC. So one of the finest features of the proposed equipment is its accessibility to everybody, adding efficiency to the process. We also have the implementation of file security and integrity. While not all of the files of OSRAP are sensitive, there are some such as the vendor social security numbers or the FIN numbers which should really not be available to the casual visitor to our office.

With the proposed system, information can be gained only from the personal computers which are protected by passwords and identification numbers. We would also gain by reducing the storage space. It is estimated that we will gain more than 131 square feet, giving OSRAP employees a more comfortable environment, resulting in higher efficiency and better moral. That will be achieved by making the documents more readily available to them. There will also be a dramatic decrease in the handling of paper. While the true paper-less office of the 21st century may never come, reducing the amounts of paper we process will be a step in the right direction. We would also have better management control. The project would be part of the long-term strategic plan for OSRAP of course which is mandated by the legislature. The division has set improved efficiency and effectiveness as an integral part of its overall strategic plan. Consequently, this imaging solution will help OSRAP achieve its strategic plan by giving the employees the tools necessary to improve efficiency and effectiveness. Therefore, the system is right in line with the strategic plans. We will also have the availability to have a means of data recovery in case of disaster. By having the copies of the laser disk off site, we can protect the integrity of the files.

What about the code application as I mentioned earlier. OSRAP has the responsibility of the financial statement of the State. And having the ability to manipulate the data from one source to another is essential to an early and accurate completion of the statement. The code application will increase the value of the ISIS reporting tool which is called bundle by storing documents electronically in a full text, searchable format which will enable OSRAP to do further statistical analysis and examine the data more completely and efficiently. Many of the reports that OSRAP currently has are on microfiche. Absolutely nothing can be done with this form of storage other than

copying the indicated page. There is no search mechanism or data manipulation. At this stage as far as we're concerned, the microfiche is archaic. Can we offer to install the service. With the file maintenance portion of it, it has been estimated that the cost of filing or retrieving a single document can be as much as $20. If that same document is misfiled it can cost upward of $125.00. The points I would like to reemphasize are that the benefits mentioned, directly impact the efficiency and effectiveness of the office as well as the accuracy. And secondly, the installation would be a pilot program of the Division of Administration which can be replicated in the other offices so that ours would be the core system with the original startup cost included in the grant request and the rest of it is gravy. We would be available for questions.

Hagan: Document management systems in and of themselves I don=t think are necessarily innovative in that a lot of state agencies are using it. At my department we are just now getting into this. I can appreciate having that amount of paper. We have something in the neighborhood of 30 million pieces of paper we have to deal with. Has this project been requested in the past through the budgeting process?

Karlton: No it has not.

Hagan: You mentioned all the canceled checks. The banks make a good deal of money off of the State in the amount of funds that flow through them. Have you considered trying to get electronic images of all of your canceled checks from the banks? They are imaging them anyway, so they ought to be able to provide that to you.

Karlton: The facts under the current contract is giving us are only rolls of microfiche.

Hagan: OK.

Karlton: We have not looked into amending the contract for possibly including it in future contracts.

Hagan: I think this is something you might want to look at because it would certainly save you all the effort of having to scan all these things when they come back to you.

Williamson: The idea for applying for this grant came from me as the strategic planner in doing our internal assessment. We identified 3 critical areas from the Commissioner down to the students that needed to be addressed in the strategic plan. Customer satisfaction, accuracy, and efficiency. So the deputy undersecretary and I took that to heart and tried to find an interesting way and a pilot way to address that in the 27 sections within the Division of Administration. It is critical that you recognize this as also a pilot and that the deputy undersecretary choose OSRAP because of the monumental paperwork that they have to initiate this project. But we hope to spin off to personnel services with this, Office of Financial Services and Support, UPS Uniform Payroll System and by getting this core mainframe system setup through this initial agency, the Division of Administration, which is more of an internal operation type department than a services to the public type. It can improve its internal operation and efficiency tremendously. Right now we are totally paper and file.

Hagan: But in doing your pilot here did you take into consideration if you do plan to roll this out throughout the entire Division of Administration whether or not hardware, software, so forth that

you've selected and put in here is going to be sufficient to handle anything other than the pilot or are you going to be going right back out and then after come back for another $200,000.

Hagan: No, you won=t come back here.

Williamson: No, not within the Division. The undersecretary=s attitude is that too. We can=t just keep on going back and saying now personnel wants to do it, we need another $200,000.

Hagan: Right.

Williamson: What this does in layman=s terms is setup the ability to do the imaging and the scanning of the necessary documents. The system is adaptable to a check system or a personnel file system.

Hagan: But as a centralized system?

Williamson: As a centralized system. And again trying to keep it simple is why OSRAP would do a financial type of thing and personnel, they would have juke boxes where their files would be kept separate and independent of each other, but they could all feed off of the system. And it was the undersecretary=s call, as to who do we try to do this pilot with first. And he choose OSRAP.

Hagan: What method would State agencies use to access these documents?
Williamson: In the computer system through their PC Internet.

Hagan: They would have Internet access to their own files?

Williamson: And the things that concern me as the strategic planner because I also work with personnel real closely is the security. How do different people get in. And in this system you would have different security codes so that as a State employee I=m divorced and I want to go back to my maiden name. I can access my personnel file to do name change which would trigger a flag to the personnel office so that they would know that I sent in a name change rather than six pieces of paper that go through 7 people to augment this little process.

Hagan: I=m a little confused. You just jumped from a document imaging system to a personnel human resource system.

Williamson: Right. Well because through this system, through this pilot program we would have the equipment that would translate into use for an HR system as well as an OSRAP system or a Uniform Payroll System because they could adapt once they scan their images and their format into this main system setup by OSRAP. The other agencies and sections within the Division could feed off this system for their purposes. They could adapt it to their different purposes.

Karlton: If I could clarify a point. We are not planning on using this strictly for check scanning. It was an example. We=ve got an unbelievably large number of files, structure files in ISIS, the vendor files and so on. So it will be a comprehensive package.

Speer: Mr. Karlton, you=ve already chosen your vendor. RayCom, is that correct?

Karlton: The advantage of going with RayCom is that it is on the State vendor contract list.

Speer: Are their any other installations in State government that they=ve done?

Karlton: Yes Sir. One at Wildlife and Fisheries, UNO, LSU, CRT.

Speer: Who else did you consider?

Williamson: Apple, NEC. We had presentations with the undersecretary. Different agencies, companies came in and did their dog and pony show to show what their systems were and then we referred to the bid list to try to facilitate moving this through and seeing who was already under contract and RayCom was and they were available for viewing in the building where we were. I called UNO, LSU. Like we said other State agencies had already used them.

Speer: What is the storage capacity in this server that you are proposing to spend $38,000 on? Do you have any idea?

Karlton: I would have to get in contact with you all on that.

Speer: And just to clarify what Mr. Hagan was asking. This capacity is not just for OSRAP.

Karlton: No Sir.

Speer: But the jukebox part of this is just for OSRAP.

Karlton: Yes Sir.

Speer: Do you have in your original proposal--I didn=t see a microfiche scanner. Your updated proposal just talks about hardware, so I=m not sure whether or not your proposal includes a micro- fiche scanner.

Karlton: No it does not sir.

Speer: So all of these microfiche files that you currently have you're not going to get into this information. That doesn=t seem like its a reasonable solution.

Karlton: The past files are what your talking about?

Speer: You=ve written and talked about both what you have on microfiche but also how much you have in paper. And if your not going to scan the microfiche in this system, then all your going to do is either start on day 1 and go forward. But you also talk about students eating up your backlog in paper. So apparently to me you are talking about converting all your paper to this document retrieval system but not your microfiche. So aren=t your going to leave out of this document management system a sizable portion of your current documents?

Karlton: What we=re planning on as far as the microfiche, is scanning from the current day

forward.

Speer: But nobody will be able to search on or find those with the ease that this system will get you. Plus if the banks are delivering images to you of these canceled checks in microfiche who are you going to get to convert that to this system if you don=t have a scanner?

Karlton: We will scan the hard copies which is a part of the proposal. To go back and scan all the microfiche that we currently have would require a far larger grant than we are currently are asking for.

Speer: Do you have any idea what that scanner would cost you? The microfiche scanner.

Karlton: We did not price it.

Speer: That=s not part of this grant application either is it?

Karlton: That=s a part of the grant application.

Speer: But at one point you said it was a future part. That was your original proposal, and I did get confused about whether it actually got itself included into your update.

Karlton: It=s included in there. The software and the hardware it is almost exclusively software, it is not a hardware.

Speer: OK.

Beyer: It wasn=t clear to me how you were going to do the programming. Has OIS committed to do the necessary program to interface this system to your existing applications?

Karlton: The bulk of the programming is going to be done by -- in fact all of the programming is going to be done by the vendor. In the second page of our answer to the additional questions we=ve got that the system is compliant with the token ring network infrastructure and Windows NT operations of the Division system. We would expect the vendor to pay the cost of the programming.

Beyer: So there is no interface to the existing Division of Administration applications?

Karlton: There is indeed an interface because the application will go through the token ring application into our system and I=m not a tech on this, but we will be able to go through our local area network to view the documents on our PC=s and it is taking advantage of the structure infrastructure currently in place.

Hagan: This co-component will require programming resources from OIS from breaking out specific reports from bundle and routing the files to a network directory. So I think that=s really the question that Bill is asking. Has the Division of Administration OIS group committed to do the programming and will they be available?

Karlton: When we want to do a change on ISIS, what we do is turn in a change report and it

goes through all the proper channels for them with their OSIC and always with within MIS. And it is just for the effectiveness and also when it can be scheduled. On each of the reports we want to pass through the code application, we are going to have to ask for a change request if you will. And each will be evaluated, it will be scheduled as it can be. In prior conversations with OIS, our computer group said that it is absolutely impossible to do any of this right now and that=s understandable. However, as the change request go through, and I hope I=m not speaking out of turn like with what Randy had told me, each would be evaluated. So I don=t expect and instant conversion of all of the reports. It will be over time as time permits. The OIS staff is quite busy at the moment. The file management section will go on immediately. The code application will go on as time permits. However, the software as for as the vendor is concerned is included in here.

Austin: Any other questions? Thank you.

Karlton: Thank you very much.

Austin: Department of Justice.

Connie Koury: I=m Connie Koury, First Assistant Attorney General. I have Mary Cardone who is Deputy Director of Administrative Services, and Mike Riley who is Chief of our MIS section. I want to address first the idea of innovation. And I say this in jest and with all due respect to Mr. Speer who doesn=t fit this description, but when I first started practicing law it was innovative to my uncle that I wanted off white stationery instead of white stationery. And as lawyers I would find we are the biggest and the only public law firm in the State. We have 188 lawyers. I know everyone is resistant to technology, but trust me they are very resistant. So in innovation I wanted to make sure that we understand that we are answerable not only to our selves and of course to the legislature and to the public as everyone in the State is, we also bench mark ourselves by the court system and that we are also answerable to the bar association, the supreme court as well as to be able to bench mark ourselves in regards to other private sector law firms who we have to interact with by way of outside counsel, etc. So document management in the legal sense in our opinion is innovative. It would also lead us to doing something that we have been trying to do, and that is to get our lawyers to use technology more in our whole department and it would fit in with that whole strategy. And the reason for that is that this would be such an easy method to use and to convert them to as oppose to some of the other methods. I say that in case about the mind set of attorneys, but there is another very good reason why they are hesitate to switch to technology in other areas and that is for example in the area of tech research. Lawyers are very hesitate to rely totally on just electronic research. Because no matter how much you tell them that all of that same information is on the electronic system, if they miss a case, if they miss a statue, whatever, has very serious consequences and they
don=t want to be guilty of malpractice or incompetent representation. So for all those reasons I think document management is a coming thing in the legal community. Courts still do not accept electronic filing for example. And they are just getting to the use of technology of document management in large cases where you can actually use electronic document information and presentations to the court and they will accept those as authentic representation.

So with that being said I guess I wanted to start with that mind set so that I could try to distinguish in the innovative area why we believe this to be innovative. I wanted to also talk a little bit about some of the things that were covered before. And I=m going fast because I know we have limited time and

I want Mike to be able to present the project to you, is whether or not we could do this within the budget that we have been provided. First of all this is for our department a huge one time expense. Some of it we would be able to cover in house. Maintenance we would be able to cover from here on after with our existing budget or would do so and would make every effort to do so with our existing budget.

But I think that=s way the legislation in the past session awarded us a $140,000 for the pilot project for this. And we have reduced our grant request to this council by that amount. Because it is a separate one time expense that is not covered in our normal operating budget and we do not return enough money to the general fund at any point in the history of the department in order to cover this type of expense. As far as cost savings and better management I just wanted to touch a little bit on that and I think Mike will go through that a little bit more. It would absolutely change the way we do business in the department in lots of areas. In the areas for example, we have duty attorneys who take 7,000 calls a year from the public at large. They sit on duty and to be able to sit at a computer as they answer these calls would eliminate a need for follow-up calls, eliminate the need for any further communication or documentation in many, many of the calls that we get. And therefore in that one area it would save time. In the area of opinion and especially during a legislative session, having a document management system would greatly enhance our ability to answer questions a lot quicker and in a lot more expedite fashion. In areas of cooperative endeavor agreements which we review for all other agencies, we would better be able to understand. For example, cooperative endeavor agreements have gotten very innovative. That we could pull up other areas where this has been done in a much quicker fashion and be able to expedite projects that they would like to get done. I think understanding the constituent that we serve which are primarily other State agencies, other State governmental entities, legislatures, other public elected officials as we act as attorneys for those agencies, would understand the way this would benefit all entities in government if we were able to do our jobs more efficiently. I will give you one example from my own way of being able to service the public, but this would extend to so many different areas in the department. During session especially, I get calls from legislators all the time because they are getting calls from their constituents. If they can call me and I can input a document name or a file name or a one word and pull up the status on whatever, that would avoid in essence at least two other phone calls. That would be my phone call to whoever it is that handles where that went and the person who is handling it. Because I can get a status pretty quickly. I could also then input information back to them and that would cut down on lots of time consuming effort, me having to go back and get back with them later. I could probably answer the question without evening going through that process. So in our opinion it would be extremely time saving for us to be able to do this and it would definitely serve the people who we serve a lot better. I=m going to stop with my speed presentation and let Mike go ahead and describe the project for you and then hopefully we can answer whatever questions you have.

Mike Riley: I=m Mike Riley. I=m going to talk about 3 major things. One is where we=re now with our technology infrastructure in the Department of Justice. Two is how would document management would help us achieve our goals. Three will be how we=re going to implement a document management system. The current network infrastructure we have is a very strong client server, wide area network in the downtown Baton Rouge area. We have 5 buildings linked together in that network. We also have 5 remote offices throughout the State of Louisiana that will soon be linked into that wide area network. When you look at our desktop configurations at the current time, approximately 80% of the PC=s used in the Department of Justice are of the Pentium grade or better.

Ee also have a comprehensive in-house training program so that we have competent users that understand general computer usage as well as the Microsoft office suite which we're currently using. Why is document management going to help us. I think this sentence kind of sums it up. It is going to give us a control environment that will provide the ability to create, maintain, distribute and track documents throughout the Department of Justice. And that's what we are really striving for. It is going to do that in 3 ways. It is going to change the way that we save documents. Instead of just identifying documents by file name, documents will be profiled with more detailed information. Documents will be maintained by our MIS section with increased security and more extensive document tracking methods. Documents will be retrieved by the users without having to search volumes of network directories and sub-directories. They'll simply be able to search documents through attributes such as authors, case titles that they might be associated with and customer names. Some of the current issues right now that we're trying to deal with in the department is the lack of effective document security. And due to the nature of the work that we do, document security is mission critical. The duplication of effort is something that occurs because people are in different buildings, different divisions, and occasionally we will see the reinvention of the wheel. Identifying case documents can be a problem if somebody is trying to locate a specific file name that may not really identify what's in that particular file. We are also being forced to respond to public record request at an alarming rate. We are getting requests from other agencies, elected officials, as well as the public at large. As Connie mentioned, we do receive 7,000 calls a year through our duty office that we are forced to respond to and to be able to have access to this kind of information would be of benefit not only to the person that's trying to provide the information but to the general public. Is anybody else actually doing this? Well as Mr. Hagan mentioned, of course other State agencies are doing this. The U.S. Department of Justice is also using a document management system. Large law firms are using document management systems as well as businesses in general.

How do we go about implementing such a system? Well, the first step would be to proceed with the pilot project. As Connie had mentioned, the funding for a pilot project has already been awarded to us for the fiscal year 1998-1999. We would begin by going through a request for proposal process, then upgrading the equipment, completing an in-house case tracking system that we are currently working on that would work very closely with a document management system and training the users in the document management software. Implementing that software and then evaluating the pilot project before I moved on to phase 2. Phase 2 would involve implementation in the Baton Rouge area. The remaining offices that were not affected by the pilot project. We would proceed with hardware upgrade, complete the case tracking system for the remaining divisions, implement the software and then the evaluate the Baton Rouge phase before we moved on to the final phase which would be implementation to the remote offices. And it would be very similar. We would upgrade equipment, train the users, implement the software and then evaluate the entire project as a whole. Cost Summary. You can see document management software would run around $250,000. Hardware and Computer upgrades would be approximately $160,000 and network enhances would run around $90,000. Please keep in mind that these are estimates based on information received from two document management vendors and there will be many variables of course that would affect net cost in those areas. In summary, I would just like to mention that taking into account our current infrastructure efforts to develop the in-house case tracking system that we are currently working on, continually training the computer users, a document management system will provide the Department of Justice and its employees the ability to access and share information in a much more efficient way.

Koury: I just wanted to emphasize again the two uses that I think it would really serve and that=s our program to program communication and use of information. It is not unusual for the civil division to have an issue which might tie into an issue that=s in litigation. And then the Office of Risk Litigation would have a file on that matter and the two should interact. Same thing with some of our criminal programs and our gaming division for example in doing suitability studies and background checks, and we communicate a lot going on between those two divisions but also with State Police and other State agencies. But having documents readily accessible, that would track things like criminal history, etc., would also be helpful. And again in the area of trial work. Document management has reached a new sophistication. And a lot of time I judge not only innovation, but sophistication by the number of consult groups that pop up to do the work. And now there are many consult groups that specifically hire on with law firms in order to do document management for large trials such as the Texaco trial which we coupled up with an outside law firm on. And the final thing would be the really saving of time and the better communication with the people that we serve, and I think everyone would agree that we serve most of you. And so that=s mostly our customer base.

Hagan: In your cost associated with this, you mentioned about $2,000 per user for hardware upgrade.

Riley: Yes Sir.

Hagan: Can you explain that?

Riley: That would be personal computers for individuals, that 20% that are currently not Pentium grade or higher.

Hagan: So this is as much I guess if I=m understanding right, for further implementation of a case management tracking system as well as document management.

Riley: Correct. We are currently implementing a case tracking system in-house that would tie in very closely to this.

Hagan: I would like to suggest to you folks that one thing you could do to help all State agencies is to help support some legislation for electronic signatures.

Austin: I have a question in your follow-up information that was submitted. There is an Attachment 2 of implementation cost. And the Phase 2 and 3 for which I think you are requesting now is $492,250 and your fiscal note is $560,000.

Riley: The reason for that is that the numbers are estimates.

Austin: On which one or both?

Riley: On both. It would really hinge on whoever would be successful in the process as far as what software would cost and what enhancements would be necessary.

Koury: And I think the original figures were obtained by us in inquiries to people who would likely be vendors. But as you know in the RFP process, we have no control over what that cost would end up being.

Speer: How many desktops do you plan on putting the software on? I=m confused between -- your presentation just was 285. Phase 1 is 120, phase 2 and 3 are 285. So 405.

Riley: Not all 405 computer users in the Department of Justice are actually attached to our wide area network. We have interagency transfers and people that are in small offices that would not be linked in.

Speer: But--So how many are you going to put on?

Koury: He=s asking you to add for him.

Speer: No. Your presentation is 405. This presentation was 285.

Riley: That=s not including the pilot project.
Speer: So when is the pilot project going to get started and be finished.

Riley: That is planned for the fall of this year.

Speer: Since the continuation of Phase 2 according to your both written and oral presentation is going to be affected by your evaluation of the pilot project, why should we devote funding to you until you finish the pilot project, done your evaluation, got evaluation back to us and given us some indication that it actually is going to work the way you think its going to work.

Riley: I don=t think there=s any doubt from talking to people that have implemented this kind of software that it will be successful. I think the purpose of the pilot project is more to define what kind of specific enhancements and to be able to customize the way we are doing things to better fit our needs.

Speer: Anytime you try to get lawyers to use technology there=s always doubt as Ms. Koury pointed out. The other question that I have is your quoting an $850 per desktop cost for your software. I don=t see any estimation of what the server modules are going to cost. Is that included in the $850 figure?

Riley: Yes Sir. It is a general figure that two vendors provided to us.

Speer: So for $250,000 they said they could do the whole thing for you.

Riley: Correct.

Speer: And your 8 servers that you are proposing to buy. Can you tell me what the storage capacity is that you're putting in?

Riley: I would expect the capacity of those to be approximately 20 gigabits of storage space.

Speer: Total for the 8?

Riley: For each server.

Speer: For each. OK. And the wide area network enhancement, the $20,000 is that the Phase 3 to bring your remote offices on to the wide area network?

Riley: No sir. That=s separate. The network enhancements are possibly going to be necessary depending on which vendor you speak to regarding local area network technology and switching from antiquated hubs to intelligent switching.

Speer: And that=s something you need to do whether you do case management or document management or not, correct?

Riley: If we have the funding, yes.

Speer: In your presentation you said that D of J has spent $2.5 million over the past 3 or 4 years upgrading your information technology. So you=ve had the funding in the past to spend on IT.

Riley: We have spent money on IT.

Koury: I might remind you that as we organized and restructured the department, that was a priority in a policy that maybe had other areas suffer that need to be addressed as well. And we unlike other agencies are at a standstill budget, but we also don=t get personnel increases, etc., and we found ourselves in a huge deficit position because of having to drawn down from each division for technology in the past.

Speer: The Council and I should have asked Mr. Karlton this, but we are going through the process of digital imaging here, and one of the concerns that has been raised to me within the House is the shelf life of a digital image. Nobody has any idea how long documents will actually realistically relay in a digital format. In your risk assessment, neither you nor OSRAP addressed this. But it is a curiosity to me, is whether or not you have thought through the necessity of actually hanging on to some of your paper documents as well as doing it this way. Has that been considered?

Riley: No that hasn=t been considered, but it=s a very good point.

Speer: And I know that you weren=t proposing any of your savings as some of these square feet of files space that you=ve gotten rid of, but truly that=s what most of us want to get away from is riffling through file folders. But in fact if we can=t get rid a lot of that paper, then that part of the project goes away. You said that you have had 2 vendors give you a presentation. Who were those 2 vendors?

Riley: One was a PC Docs vendor in initiative systems and another one was Practice Manager and I believe the name of the software was also Practice Manager.

Speer: And there were no other Departments of Justice in the 50 states that have gone to a document management system. I noticed in your bench mark list you didn=t list any of them. You listed a couple of federal agencies and some law firms and a winery, but no other attorneys general have gone down this road?

Riley: The U.S. Department of Justice, but I=m not aware of any other states that have gone down that road. We would like to be cutting edge.

Koury: That=s why I say we are a little behind on that innovative stuff. Not we Louisiana, we lawyers.

Beyer: I missed the scope of the pilot project that you are doing. How many stations is that or is that an individual department within Justice?

Riley: It would be 2 divisions within the Department of Justice--the litigation and civil divisions and their folks that are actually residing in the Baton Rouge wide area network. It would be approximately 120 users.

Beyer: Okay. Thank you.

Austin: Thank you.

Riley/Koury: Thank you.

Austin: OK. Department of Wildlife and Fisheries.

Jim Patton: Good Morning. My name is Jim Patton. I am the undersecretary of Wildlife and Fisheries and we are here this morning to present to you a request for funding of part of our Automatic Sports Data System, or ASDS as we call it.

This project is of particular interest to this department. It is an innovative use of technology in our department and indeed nationwide in sports life systems. We propose to replace a system of licensing that hasn=t change very much in at least a half a century by the use of modern technology. Our ASDS system will be the implementation of a user friendly affordable hunting/fishing license issuing system using an integrated combination of POS technology access and Internet technology which will make it convenient for the public to purchase hunting and fishing licenses and encourage a maximum number of retailers to automate their licensing issuance procedures. We view this as a win, win, win situation. We feel that the general public will accept this because it offers maximum convenience, it offers them the ability to pay with credit cards over the telephone, it offers them 24 access at all points of sale that are open on that basis and to pay with a credit card at that time. And all the indications we have from the public is that this is what the public wants. We feel that the vendors win because they get a faster transaction processing with much less clerical involvement on their part. They don=t have to stock license forms up front and pay the money. They don=t have to concern themselves with the security of those documents. We feel that the department wins in a number of way which I will go over in a minute. But probably one way thing I need to emphasize is that this system will give the department a data base. This department has never had a data base on sports licenses. The way the system has worked over the decades has not permitted us to accumulate

any information real time on-line, fake time off-line, or whatever you call it. You've got no data base whatsoever on who has sports licenses. All we've got is a big room over on Quail Drive that's full of pieces of paper that we can access not on a real time basis, but typically a year or so later to determine whether somebody actually had a valid license issued to them or not.

This system just enumerates advantages to the department and to the State from ASDS we will have the capacity to validate, that is to determine whether or not the person is entitled to the license that they are proposing to buy without clerical or any other discretion being involved. We have the ability to capture buyer data at the point of sell. We will have the ability to create for the first time a data base that we can access which will enable enforcement to know if somebody who claims to have a privilege but can't produce a piece of paper that says that they have it. It will enable them to know that that person does have that privilege. It will enable us to give people temporary privileges until such time as a piece of paper can actually reach them. It will give us the ability to know who our public is for the first time. Who are the people out there who buy fishing and hunting licenses. We can do demographic studies on that. We can use that data base to improve the many ways that we serve our public. We will assign an identification number at point of sale so that each individual will have a license number that is unique to them. It will enable us to ensure that the license that the person who is claiming to possess the license is actually the person whom the license was issued in the first place. We will print a durable license on site with the point of sale terminal. We will no longer have to provide plastic bags to keep the licenses from becoming un-readable due to adverse conditions in the wild because they will be printed on a durable paper stock. We can allow licenses to apply for limited quoted special drawings at the point of sale whether than having to do that from the Department. We will be able to greatly facilitate cash concentration and rapid transfer of funds to the Department from the license issuing agents. We will also greatly reduce the requirement that we now have to audit the collection of those funds through the system that we presently employ.

We can use these terminals, the POS terminals to issue bulletins to the field so that new information about hunting and fishing regulations or changes on licensing can be rapidly communicated to the users. We can use this system to conduct surveys. We can use it and of course this system will enable us to use credit cards as a primary means of paying for licenses as opposed to cash which is what we've been requiring in many instances up until now. I have with me today several people who will be telling you more about what we're requesting. On my right is Craig Lamendola who is special assistant to Secretary Jenkins and who is the project manager for ASDS. To my left is Wynette Keys, our fiscal director. Behind me I have Dr. Lyle Soniat who is the director of information and education. And I also have with us Dave Dosay who is an information services manager. So hopefully we have covered all the basis and we can answer any questions that ya'll may have and I'd like to turn it over now to Craig Lamendola.

Lamendola: Mr. Patton covered pretty much the introduction I think you guys needed on this thing. I'm just going to answer any questions you've got and let's go from there.

Hagan: I guess one of the prime questions that I had in reviewing this is that in looking over the grant proposal, it looks like it's going to cost a little under $1.5 million for the first 2 years and about $1.6 million for the third year, $1.3 million the following year. Your going to have basically a shortfall it looks like the first year of about $840,000. Is that correct?

Patton: That is correct.

Hagan: In view of the fact that you were out on bid for this and were actually out sourcing the project whereby the people out there getting the point of sale terminal had to put up an equivalent of about the cost of the terminal to put it in and also that the people who are actually running the program for you is going to be paid on a fee basis. And I was a little bit confused as to why the proposal still came before the innovative fund here. Can you explain that?

Patton: I=m going to let Craig explain that to you.

Lamendola: Well I suppose we=re looking for some seed money and that=s the main reason why it=s here. We are trying to get seed money to start up -- to pay for the terminals and we will have a short fused outreach program to bring in the license agents from the paper system into an automated system. So that=s part of what we=re looking for is actually seed money in addition to paying for the terminals. All these other moneys that we are going to be needing which we have outlined in your expenditures.

Keys: Mr. Hagan maybe I can provide a little bit more information. The Department made a decision to purchase the terminals so that we will have ownership of the terminals. The money the vendor will put down will be a security deposit. And that security deposit, the amount, is projected to vary depending on whether the vendor is a Wal-Mart who sells 200,000 licenses or a Mom and Pop store who sell 1,000. Part of the goal of the system was not to burden on any of the license agents so that we are going to buy the terminals. And that=s what we need the up front money for.

Austin: What will that variation be based on other than the size of the operation?

Keys: The number of licenses sold.

Austin: And what will that range from?

Keys: We are still working out the details of that.

Lamendola: We are proposing that if it is under 100,000 licenses or over 1,000. It will be a low volume if you sell less than a 1,000 licenses a year.

Austin: And what will those security deposit moneys be used for?

Keys: They will be put in an escrow account and they will be used to earn interest so that down the road when we have to replace terminals for vendors either they get messed up sitting on the counter or coke spills on them or some other things happens to them, then we would have funds to replace those.

Austin: Is it a refundable deposit?

Keys: No.

Lamendola: Yes it is.

Keys: If they get out of the business.

Patton: Upon return of the equipment in good working condition, yes.

Speer: If we were to grant you the $750,000 to buy the terminals, then you=d have $750,000 at $500.00 a terminal as a security deposit sitting in a bank somewhere earning interest. In fact in your proposal you talked about an income string from that. How many people go out of the business of selling hunting/fishing licenses in a year. Isn=t this fairly static. They get into it and they stay in it.

Lamendola: Well, let me give you an experience of Texas. In Texas you had a pretty much net wash of the amount of license agents that wanted to automate. You might have started off with 1,500 and then you had some that didn=t automate. But at the end of the day you wound up with the same amount of 1,500 but they were just composed of different license agents.

Speer: But once you place the terminal how often do you expect to actually get them back because people have quit selling licenses, which would be the only draw on your $750,000. I mean the only time you=ll take money out of that deposit fund is if somebody gives you back the terminal and you then give them back their $500.00. How often is that going to happen Craig?

Lamendola: We don=t know.

Speer: You have no experience with your current vendor of how they go in and out of the business?

Lamendola: No, we definitely don't know that and I don=t think there is enough experience in the other States. This is fairly new technology that has been going on about 4 years max right know and there is about 12 states that have it on-line.

Keys: I think the attempt was to put those deposits in an escrow fund that would not be available to the department for spending except in those situations, because technically there is an outstanding obligation on those funds.

Austin: How many licensed agent locations do you currently have?

Lamendola: We speculate between 1,700 and 2,500.

Austin: And you are estimating doing 1,500 locations.

Lamendola: In the first year. It will probably top out around 1,700 and that=s just a guess.

Austin: In your proposal you talk about under the use of the existing infrastructures under the additional information you all provided, you talk about I guess interfacing with some other departments like Public Safety and DSS and those agencies. Have you all met with these agencies to discuss accessing their data bases. Because a lot of that information is confidential.

Lamendola: I met with DPS and DSS. We had a meeting. It is in discussion.

Austin: Okay.

Patton: The department does get this information now to use on a basically a read only basis so that we can cross reference.

Austin: How do you get that information now?

Patton: We get it by tape, I believe.

Lamendola: Quarterly.

Austin: Having lived through the experience at DSS of point of sale, transmission of benefits through our EBT program and some of the experiences we encountered there with POS with vendors, we heard everything from we=ll have to reconfigure our check out counters to put another terminal there to you know its no problem. What have you all heard from your vendor community on this?

Lamendola: The main thing that they are concerned with this is the size of the terminal.

Lamendola: As for as let=s say a grocery store situation that sells hunting and fishing licenses. You may have a problem with that situation if you have all of your terminals at the check out counter in front of the store. But in a department store situation, your going to have a separate counter for your hunting and fishing licenses back in the sporting section where you wouldn=t have the problem with another terminal. But that=s something that the industry is looking at. They are trying to put it all into one machine. We=re not there yet. It is an additional veri-phone scanner just like your credit card scanner.

Austin: With your Mom and Pop operations which I=m sure a lot of them do sell hunting and fishing licenses in a lot of our rural areas, will they have the technology within their existing locations to accommodate this --the phone lines or will your contractor provide for all the phone lines and the maintenance of all that for them?

Lamendola: The terminals will come complete with an 800 line. The terminal actually dials an 800 phone number. But the license agent is going to have to supply a phone line. If they want to supply an extra phone line that=s up to them. Although when you are issuing a license, you are going to dominate that phone line so they won't be able to have incoming calls at that time.

Austin: What is the average time that it will take to issue a license?

Craig; Well as far as on the phone line I think it is about 30 seconds or so.

Austin: And they will get their hard copy right there?

Lamendola: Correct.

Patton: This is an average dial up phone line. This isn=t anything different from what they

already have in their store. The question is whether they can get by with one phone line or whether they will need 2.

Austin: And you talk about a per transaction fee.

Lamendola: Correct.

Austin: Seventy-six cents per transaction?

Lamendola: That=s starting off with 500 terminals on-line and then it goes up to I think $.76 cents

Patton: It starts at $0.68

Austin: Okay. But it tops out at 76 cents.

Patton: Yes.

Austin: You also make reference to increased revenues in your conservation fund from the commission that will not be going to the sheriff. What=s their take on this?

Lamendola: They were made whole by the legislature.

Austin: That=s your answer?

Lamendola: That=s my answer.

Beyer: One mundane question. When you buy these terminals, I didn=t see any funds for maintenance. Typically, how do they get fixed when they are broken?

Lamendola: They would be replaced and sent to the provider.

Keys: The transaction fee includes all cost of operating the system.

Lamendola: These terminals do not require a lot of maintenance. They are very sturdy devices.

Hagan: Did you talk to the lottery people about combining issuing licenses with the same machine that issues lottery tickets?

Lamendola: No I didn=t. The experience is that it is not a wise thing to do because they did that in Oregon and Idaho and other vendors have tied in with those systems and it is not a good relationship.

Hagan: Well, I can appreciate the problems there. However, one of the Council=s objectives is to try to foster cooperation amongst State agencies. One of the proposals we got was from CRT was the proposal to make reservations for camp sites and those kind of activities and I believe that was withdrawn because it was funded by the legislature. I don=t know how you could make that cooperative effort, but it seems to me a lot of of similarity there. People wanting to buy hunting and

fishing licenses and if that could be combined, what a wonderful world it would be. Have you had any contact with the CRT people?

Lamendola: I've opened some dialog with them and we are talking about it, but we had a common problem a while back with our Louisiana Wildlife Management Areas and watch birds and that kind of thing. So we are just now trying to get the ball rolling on that, but there is some interagency sharing potential here but it's going to take a little bit to develop.

Hagan: Okay. Thank you. I'd just like to say that this is truly one of the innovative projects that we've seen come before the council and I think you folks should be commended.

Patton: Thank you Tom.

Austin: Just as a comment as per the guidelines of the innovative fund, the awards are limited to $1 million per award and your request is for almost $1.5 million.

Lamendola: We'd like all we could get.

Austin: I'm not a fisher person, but are these licenses renewed annually?

Lamendola: Yes. They are not actually renewed, they are reissued.

Austin: Okay. So they are reissued.

Keys: But once the person would be in the data base….

Lamendola: Once they are in the data base the possibility of going to a renewal system rather than a reissue system certainly becomes available to us.

Austin: Any other questions? Thank you.

Patton: Thank you.

Austin: Okay. Public Safety.

McDonald: Good Morning. I'm Rex McDonald, Director of Information Services of Public Safety. I have with me Jack Green one of our deputies who is also the project manager for this particular project. The request that we have today, the hardware and software, is certainly nothing innovative about it. We will admit that on the front end. However, we believe that our use of it is innovative in nature and I will explain that in a few moments.

We have for a number of years been requiring the insurance companies to report new businesses and cancellations to support the compulsory insurance law. Last regular session we went in with legislation and we sought to reduce the lapse time between writing a policy and reporting it to us from 45 days to 3 days. We ended up at 15 which the method of current reporting is on magnetic

media and simply moving the 15 days didn=t really excite us toward an on-line type of approach through it. However, earlier this year the insurance task force commission held a series of hearings in which some of the insurance industry indicated that they were prepared to do an on-line transfer this information but the department was not able to. So we seized upon that as an opportunity. We are rewriting regulations for the legislation that passed last regular session that proposes to implement the new 15 day reporting requirement October 1st. We are trying to meet this deadline and intend to meet this deadline to require an on-line reporting as well. As we began to look at the possibilities of every thing from Internet to dial-in to requiring the larger companies to have a leased line. We looked at all of the situations. And there were negatives everywhere we looked. Either security and policy type problems or monetary type problems. But as we looked more into the situation we found that almost all of the insurance companies that do business in Louisiana are already part of a national network, that being the IBM Global Network and in particularly their logical network being called The Insurance Value Added Network. And as we began to look at this we decided to do something a little unusual in that typically government in its reporting requirements lays out some specific guidelines and it=s up to the private industry to do whatever they have to do to support that activity.

What we sought to do is to move to this mode of collection of information with the least cost to the insurance companies, the least disruption to their business and of course we wanted a smooth flow under our roof. So what we found were that if we simply became a part of this network we could use what is basically an electronic mail box setup to transfer the information back and forth. We propose to set it up so that the insurance company can access their files there at any time during the day and that we would process them once a day and we would return any error reports or the results of that process in the same day to allow them access immediately to it. We think in this way we will encourage insurance companies to actually report their information in significantly less than a 15 day reporting period. In fact our discussions with State Farm who represents about 44% of the business in Louisiana is that they can do somewhere around 3 or 4 days perhaps. If you=ve ever been stopped and had a problem with that you know that the timeliness of the information that=s available to the enforcement agency makes all the difference in the world between whether you have a hassle or a very pleasant B if it can be termed that B a pleasant interaction with the enforcement agency. The particular dollars that we are looking at is for an application service to simply put the information on to exchange it. We intend to the extent possible to have it available 24 hours a day. As such we=ve setup a proposed redundant system. We have asked for $25,000 to ask a company that we have been dealing with, Pioneer Corporation, to assist us in setting that up. This is more a problem with the lack of personnel than lack of expertise. And I=ve heard it said several times and I know Bill and several of the rest of you involved in Y2 K otherwise we will simply do the programming ourselves. So I guess I kind of summarized our presentation.

Beyer: I may have missed it when I looked at this. How many insurance companies do we deal with and how many B just approximately B what volume are you dealing with?

McDonald: Accordingly to Mr. Green, there are actually 265 companies, and I believe we do around 5 million transactions a year.

Beyer: You have 265 insurance companies that are mailing you. I assume that this is the same technology that we use to do automatic deposits in banks and those kind of things.

McDonald: Basically Bill there is a ready made network that these people are already a part of. There are standards of the information being shipped back and forth. It is a usage type of basis on the amount of information. And it just works out to win, win for everyone on it.

Speer: Rex have you guys started your implementation strategy in your proposal you said that you were going to start on June 26th. Have you started?

McDonald: Butch we had to start in order to try and make this October 1 deadline. It turns out that we have this sort of equipment budgeted for the credit card application on the renewal drivers licenses and vehicle registration. What we had gone forward with was with the hope that you would budget, if not, the decision would be down to not doing it in the on-line fashion or the administration at our department electing to use moneys from somewhere else and I=m not sure where that would be to implement the system. In the meantime, we are at least covered on our equipment orders in that we will use it in the other projects should you choose not to fund this.

Speer: And Pioneer is going to assist you in the data base development B helping you map the fields from what you get off of the global net to what you need in your B is that correct?

McDonald: That=s part of it, but there are many scripts that need to be written to go to the information exchange mailbox, retrieving information, loading it, some issues of with backing up the date as we get it on the server, function such as that.

Speer: And you make a statement that essentially all insurance companies are using that indicated that there must be somebody out there that=s not. Are they going to continue sending the cartridges?

McDonald: No. We=re going to require any of them of significant size to join this network, and essentially all of them are. But even now with this particular implementation there are a number B I mean we have one insurance company that has one policy as an instance, and others that have 50. We allow them to send it in on paper or on a little floppy drive. Any real volume, they will have to go on this network.

Hagan: You will essentially be updating your database on a daily basis. Is that correct?

McDonald: That=s correct. Tom just to tell you the importance, it is more than just updating on the daily basis. What happens is that you get information in and if we run it and we fail to match or anything and we put that information back out, the insurance company goes and tries to collect the information and send it back to us. In today=s world with the 45 days, your talking 90 days perhaps when a citizen might well have insurance and yet be hassled because in an inaccuracy. Not only will we process and update our data base, we will provide back to them this error report that they can turn around quickly for their policy holder. So it has several advantages to it.

Hagan: Do you think this is going to reduce my insurance premiums?

McDonald: I wouldn=t say that, but it might keep you from getting one of those stickers in your window one day.

Speer: It also might help law enforcement stop people from driving who don=t have insurance.

McDonald: Absolutely.

Speer: Especially those who like to go out and finance their policies and forget to pay for them after the first deposit.

McDonald: Which is not an uncommon occurrence as you know.

Speer: That=s a polite way to put that.

Austin: Any other questions? Thank you.

McDonald: Thank you.

Austin: Okay. Southern University of New Orleans.

Gully: Good Morning. I=m Larry Gully. I would first like to thank you all for giving us the opportunity to come in and share our project with you and to answer any question you may have. On my right is Mr. Melvin Walker with Southern University of New Orleans and on my left is Mr. Kenneth Tollison. He is with the Secured Internet Commerce Network Corporation based in San Diego, California. And after I make a few brief comments we=ll answer any questions you may have. The Electronic Commerce Project is designed to allow State agencies, political subdivisions and other public agencies to computerize its procurement process. The project that we're proposing to implement is revolutionary in the sense that it employs Internet.

At this point in time there is only one company that has developed that technology and has it in operation and that it SciComNet, the agency that is working with us to implement this project. Now this project is completely automated, integrated, seemless process that will allow purchasing units to complete the process from asking for bids all the way through the payment of vendors in the process. And as such, we expect that this project will yield some significant benefits for the users. And I would just like to take a few minutes to talk about some of those benefits. One of the things that it will do is to significantly reduce the procurement cycle time. As you are probably aware in order to affect a purchase the first thing that must be done of course is to generate a purchase requisition which then has to be approved and go through the process of generating a purchase order all the way through the process of generating a purchase order all the way through the process of issuing that purchase order to vendors, and subsequently receiving the goods or services and then paying for it. This process will eliminate a lot of the time necessary to do some of those things because it will be completely electronic. It is designed to completely eliminate paper. And that=s one of the great benefits of this system is that it will completely eliminate paper. This system will require the agency to commit totally to electronic commerce. It will practically make this system worthless if the agency tried to run a dual system B that is try to implement electronic commerce and also run a paper based traditional system. It will provide for some direct savings in the ability of the agency to secure goods and services, because one of the things that will happen in this process is that when the agencies send out to the buying to the vendors, their request for goods and services, the vendors will then submit that information back to the agency and that information will be secured and that is it

will not be very easy, and in fact it will probably be virtually impossible for anyone to be able to manipulate the system by perhaps telling one vendor that this is the price that someone else has submitted and if you want to get this bid you have to come in lower.

Because the bids will be sealed electronically until the point and time in which they will be made available to the buying agency so that they can then determine what the best price may be. It will also ensure an open competition and therefore really level the playing field for the vendors. As I=m sure your probably aware, there are in many cases, instances where companies do not have the ability to access and bid on goods and request on services simply because they may not have the technology or the manpower if you will to access that information. This system will allow them to have equal access and therefore level the playing field so to speak. It would provide some significant advantages because of course it will allow small and disadvantaged businesses to have equal access to bids as would larger corporations who might have more resources available to take advantage of those things. Another significant benefit of this project of course is that it will eliminate the need for each public agency to go out and buy it=s own hardware and software and to maintain that software. That is a significant cost that this process will eliminate. On additional thing I would like to mention here is that as a result of this process, there will be revenuing sharing that will again help to lower the cost of doing business on an annual basis. Participating agencies will receive revenues from the project based on the number, the volume of activity that they have engaged in across the course of the year. So there are many, many benefits. And as a result of implementing this process, reducing the occurrence of fraud, in make making it very difficult for some of the more common types of fraud to occur, this process will inspire confidence in the purchasing process. What I=d like to do at this time is to entertain any questions that you have.

Hagan: Have you at all discussed this proposal with the Division of Administration=s purchasing section?

Gully: Yes we have. In our discussion with the State Purchasing Office, they indicated that they currently have in progress an effort to do something similar. They, as I understand, have spent the past 3 or 4 years trying to get this system in place and there are some offices that are obligated to use this purchasing system. The focus of our efforts, however, will not be on those particular agencies or departments, but instead on others that may not be required to participate. For example most -- many cities, municipalities in Louisiana do not participate in the State purchasing system. Therefore, they would be very good candidates for this kind of service.

Hagan: To my knowledge all 20 departments of the Executive Branch of State Government are required to go through State Purchasing Office, so therefore you pretty much exclude the Executive Branch with the exception perhaps of Higher Education. I think there is at least 1 of those 20 departments that has their own purchasing section. But if I=m understanding you correctly, you're proposing that this would be opened up to any governmental entity throughout the State whether it be a police jury, city, parish, what have you. It=s pretty far reaching to say the least.

Gully: It=s revolutionary.

Hagan: I=m not sure though that you would be able to really make this happen without addressing procurement statutes.

Gully: I think it could happen. It would be greatly facilitated however if there were some changes in the procurement laws. For example, at the federal level in the past 3 years exact, and Ken can correct me on this, I think that at one time the federal procurement system must have limited purchases to $10,000 or something like that. They raised the limit to $100,000. I think California did something similar. And there have been some other states who have done something similar. Because this process makes fraud significantly more difficult than if we had a manual system in place, the kind of system that currently exists in many agencies.

Hagan: So what would your pilot project cover? Who would come into that?

Gully: We have had sessions with several agencies who have shown an interest in being a pilot. Southern University of New Orleans, for example. The Sewerage and Water Board of New Orleans has also indicated an interest. The Office of the Speaker of the House of Representatives for the State of Louisiana has also shown a very strong interest. And we have some others. We are also talking with for example, the Orleans Parish School Board. We expect to have a meeting with them within the next couple of days. We have a meeting scheduled this afternoon with the Regional Transit Authority in New Orleans. So there is a great deal of interest already. My colleague Mr. Walker can probably also address that further having attended a meeting this past weekend, this past Thursday through -- Saturday I guess it was -- the municipal authority in Shreveport. And there is quite a bit of interest.

Walker: We=ve also spoke to the Finance Director in Shreveport and they have indicated that they would be interest in participating. The Orleans Parish School Board has indicated, and we will be talking with the Jefferson Parish Levee Board. So there=s a great deal of interest in the cost savings that are going to be available and the efficiencies that this project will bring to bear for most of your boards and municipalities in the State of Louisiana. We also met with the Executive Director and he has indicated a significant interest in participating in having all of his member organizations to participate in this project.

Hagan: He is Executive Director of what?

Walker: Mr. King. The Executive Director of the Louisiana Municipal Association.

Austin: It was unclear in your proposal what role Southern University of New Orleans play in all this.

Gully: Southern University will be the mechanism through which this project gets done, gets completed. Southern University students of course will be involved, employed in the projected. Obviously to implement something like this, there would have to be persons both selling and providing technical services. And of course Southern University students will be involved in that process. We have also considered possibly using Southern University faculty and possibly staff as support person as well. Now the project will be carried out by a corporation named Southern Electronic Commerce who will contract with the software developer who will then implement the pilot in the initial stages. And let me also mention that we do intend to have pilot agencies that we are going to use to make sure the system is operational and fully functional before we get to far into the process. And that is one of the reasons why we wanted to use a relatively small pilot, Southern

University for example, and the agencies that would have a significantly larger volume of activity, Orleans Parish School Board for example which has purchased a volume of about $60 million in goods and services. And we think in doing so we can get a pretty good handle on what kind of problems will be involved in implementing this project from across the spectrum from small organizations to larger organizations.

Austin: In looking at your proposed budget in your request for one year, there is a large amount of this for building space and personnel cost and supplies and equipment and that type of thing for one year. What about the ongoing cost of those things? The leased space, stuff like that?

Gully: The project will be completely self supporting. I want to emphasize that. After one year, this initial $750,000 expenditure by the State, the project will be completely self supporting and will not need any support from any State agency. The only other money that State agencies will have to expend will be to develop the interface between this system and whatever they may have in place at the point in time in which they come into the system. You mentioned something about housing?

Austin: You have a building lease for $12,000 in your budget. You have office furnishings and equipment for $24,000. We are going to setup an office for a year and then you are saying you want need it after a year? I=m confused.

Gully: I=m saying that after the first year no more moneys will be required from the State of Louisiana or any other agency because it will be completely self supporting.

Speer: How does the entity make money?

Gully: This system is going to be paid for in essence by the vendors. To give an example if we were an entity in this particular room buying products from a company who sells whatever we are interested in buying, they would have to pay a monthly fee to access the system.

Speer: To whom? Southern or SECC?

Gully The money will come to SECC. The money will actually come through SciComNet who will then allocate the moneys appropriately to SECC who will then allocate moneys to Southern and of course the system will allocate those moneys back to the participating agencies B the revenue sharing I mentioned earlier.

Hagan: SECC. Is that the company in New Orleans?

Gully: Right.

Hagan Do they have any experience with this sort of project?

Gully: No because this is revolutionary.

Speer: You mentioned that the city or the County of San Diego has done this. So somebody has experience doing this.

Gully: Yes. The gentlemen sitting to my left is the only one who has developed and has in place an operating system.

Tollison: Members of the Commission, again, my name is Ken Tollison and let me address some of the questions. The County of San Diego is the only place in the world that you can find a completely electronic on-line requisitions system fully integrated with a single data entry purchasing system and in turn is integrated with an on-line commerce system that in turn is fully integrated with the rest of the purchasing system through a paperless purchasing order.

I built the system and the people that are with me at High Com Net built that system. At the time that we built it, we used the technology available. That system has been in production for about 3 years now. The County of San Diego is the only place in the world that has required their vendor base to convert to interbase commerce. In other words, that=s the only way they do business. The reason for that is because when the quotes come back from the vendors the buyers don=t collect the quotes. The quotes automatically go into a file, prepare the buyer=s abstract ready for a point and shoot award on screen in a decision making process associated with doing that. The whole process is automated. And if you send out faxes or telephone calls then you lose the automation powers. By the way, business proposals are also put on the system. Dr. Gully mentioned the threshold. The County of San Diego=s threshold was $25,000 4 years ago before you had to go to a formal bid. We got that raised to $100,000 which was the same as the federal government . That in effect automated about 95% of every transaction accomplished by the county. It eliminated procurement fraud because the buyers no longer have access to what vendors are submitting as the quotes and they no longer have access to the price so they can no longer manipulate the system. The savings to the county directly was about $550,000 a year in salaries. There is still another step that can be taken and quite frankly my corporation is working with the county to take that next step which will save them about another $135,000 per year in direct salary savings. That doesn=t include postage stamps and paper and a lot of ancillary expenses. The system that we are now building takes what we built for the county a new level. It is completely Internet based. The accounting system would require all the agencies to have their own software, hardware. About the time we were finishing that system the power of the Internet suddenly took over and I read a quote for the day that said the Interent system is the most radical occurrence in America since the invention of the first telephone. Our system now will allow every public agency in the State of Louisiana to share the same software and the same operating base. We use silicon graphics as the hardware. That means that every public agency can have access no matter how big or small to exactly the same power of Internet based commerce and they share the same operating environment. That drives the price down to almost nothing.

Beyer: Do you provide a web server?

Tollison: Yes. We provide the server, we provide service just like the telephone and the cable TV. And the reason we feel that revenue will be generated -- we know revenue will be generated is because our system, The Secure Internet Commerce System B whenever a quotation is issued, a vendor who is interested in that quotation as profiled using an international code called the National Institute of Governmental Purchasing which the state does use, they will receive an electronic notification of that business opportunity. Attached to it like a web page will be a file where they can put their quote on and send it back and will complete the buyers abstract. It will do the same thing

for business proposals. It will completely attach the electronic file so you will not have to mail out bids and proposals. It also keeps a complete history file for each vendor on the system. That at anytime they want to see in the past with a particularly agency they can look it up. It also keeps a complete history of what the agencies have done. For example if you sent a solicitation for micro-computers, somebody is interested in doing with that agency by micro-computers, they can put in the code for micro-computers and up will come that agencies history and they can see whether there=s any opportunity of ever getting anything in that particular commodity code. Those are just a few of the advantages the system has. It truly does revolutionize the procurement system. Again, there is a system like this in production today that we built. The difference is it is not Internet single server based because that technology was not available when we built it 5 years B or started building it 5 years ago. But today we can build a system like I just described.

Speer: I guess one of my confusions is that Mr. Tollison if this is an actual money making proposition why do you need Southern University of New Orleans if your company can do this and make money at it?

Tollison: Well that=s an interesting point and its been about an 8 month saga between Southern University and myself. And we made a commitment to Southern University and we=re living with that commitment. That commitment is essentially that they have the same vision without necessarily the technical basis for that decision that we had the technical basis. Wwe kind of put ourselves together a few months ago as like partners. And there is a quid pro-quo because it would cost us a lot of money to do business in Louisiana at this point and time and by essentially partnering with Southern University we will not have to be coming from Southern California which is quite frankly our big client base right now. We do have client bases all around the U.S. but it is going to be very difficult. But the quid pro-quo is that we share the same vision, we can make the same thing happen in the U.S. We create that vision in Louisiana and they do the work, the foot work in Louisiana for us.

Hagan: So essentially what your going to do is take your existing software and the Internet to enable that software and tailor that software to Louisiana? Is that a fair assessment?

Tollison: What we=re doing is the operating system, which includes both the software and the hardware, that essentially we are going to enable Southern University SECC to manage that operation for us in Louisiana. In other words look at it as I guess selling a product.

Hagan: Pardon my ignorance here, but I assume that whatever software your’re running in California and San Diego doesn=t just slide right in to Louisiana. There are some differences in statues.

Tollison: I think that you will find that the software package that we have in the new system is not identical to what we did in the County of San Diego B well let me say I know that. The second thing is I think you will find it is fully functional within the State of Louisiana and because again of the advantage of having a large clientele that any tailoring that has to be done can be done relatively easy at this point and time. That=s another advantage by partnering with Southern University.

Hagan: Do you expect the other Southern campuses to utilize this software?

Gully: I would expect it to utilize the software. I most certainly would. In fact, again any public agency who wanted to participate could but we simply choose to focus on Southern University in New Orleans as one of the initial pilots.

Tollison: Let me make one final comment. As far as interfacing like with the State system, I=ve talked to Mr. Dale Beard with the State and when we built our operating system we anticipated that it would have to interface with at least business systems, the financial packages to encumber funds. I think you=ll find that nobody has an interactive Internet base electronic commerce system in the U.S. And we can interface ours with existing systems at whatever point in a system that=s necessary for example if they have a requisitioning system we can interface it after the requisitioning system. If they don=t, then we can interface our requisitioning system at an earlier point. So I think you will find that we=re pretty prepared to interface with existing systems.

Hagan: Is that part of the service you see SECC providing is interfacing this purchasing? And purchasing as I understand is kind of in the middle of the process, so is budgeting and accounts payable and all that? Do you see that as a service you are going to provide or is that left on the individual entity that wants to buy this service?

Gully: That=s left to the individual public agency. But what we=re proposing to interface is a purchasing function. And of course the purchasing function should be an integral part of their total financial package. But I think to address your question directly, we do not have any plans for trying to implement a financial package.

Tollison: Let me provide an answer. I took a little bit different take on it. Since we=re completely Internet based, we have an actual questionnaire on our interface web page for prospective public agencies. And it ask a series of questions and from that we develop a profile on both the business case, counseling B like free counseling B like what you can do to maybe take a greater advantage of Internet commerce, and the other thing we do is we ask questions about what technologies and what systems you currently have. And for example if you want B after we read this profile we see that we would have to interface after the requisitioning system at where a purchasing system would take over, then depending on your database B for example if it=s a tier one - a major manufacture like Warahol or Sci Base then we know that=s very simple to do and we will do the mapping for you. And then either the public agency can do it or we would do it for a small fee. And it really is small. Basically you're talking about how to map fields together and how to do the transfer and if the public agency happens to have a secured rider that=s one way, if they don=t we can do it by secured files transfer protocol which is like a modem to modem connect.

Speer: Is this interface a necessary part of a public agencies participation? I mean do you need to get the funds electronically transferred to the SECC that Southern=s going to set up to make it a selling thing to the vendors?

Tollision: No. That doesn=t have any impact on the vendors. What happens to the vendors is what value do you add. And by the way I left out it has a complete vendor to vendor electronic commerce capability too. It isn=t just public enterprise or public agency to private enterprise, its private enterprise, private enterprise. So it is a complete Internet commerce. It doesn=t make any difference in answer to your question to the vendor. Because if an agency is seamless the vendor

want see that except maybe in the taxes they pay to support public agencies. I would think that public agency today knowing the power of electronic commerce, electronic business systems, that they would not want to have anything that didn=t completely integrate through the process. And that=s the design we=ve kept in mind. We have one 1 rule and that=s single data entry. Once something is done it will never be done again.

Hagan: What I heard you say was is that the interface is not necessary. If an agency wanted to continue its check writing function for whatever reason they could still participate in this electronic commerce server by posting their order and getting back the vendor profile or B I=m sorry I don=t recall exactly what you called it, but the response that says these are the proposals and then being able to issue a purchase order in the normal course of its business.

Tollison: Correct. We anticipate the agency will issue the purchase order in the normal matter. That=s the interface. Our system would interface and make sure that the existing business system was not pervaded. In other words if you have any automated business system, our system would work smoothly with it. Would not interfere with it.

Austin: Councilmen we have expended our time. Thank you.

Gully/Tollison: Thank ya=ll.

Austin: Council members, do you want to break for lunch at this point, come back or keep going? We have the Military Department which I think has 3 proposals. You can do all 3 in 20 minutes? Really? No Military lingo please. Is LSU Shreveport here? How much time do you require--30 minutes? LSU of New Orleans? OK. We=re going to go for it.

Mike Appe: Good Morning. My name is Colonel Mike Appe. I=m with the Department of Military Affairs. I have with me today Mr. Matt Farlow to my left. He is the Chief of Operations and Communications for our Office of Emergency Preparedness and Colonel Glenn Appe, Director of Personnel and Administration for Louisiana National Guard also the Project Officer for our distance learning initiative. I also have with me Major Mark Matthews from my office who was the project officer on putting this grant together. The Military Department as a State agency consists of two separate programs. Our Military Program which is in essence the Louisiana National Guard and our Emergency Program which is the State Office of Emergency Preparedness. And even though both the Emergency Preparedness and the Military have separate mission statements, both programs mission statement include support to nation, state and the local community. The grant proposal we submitted for consideration is a comprehensive approach consistent with our strategic plans to utilize state of the art technology to enhance our mission capabilities. As was stated, there was one overall umbrella proposal consisting of 3 components. Of the 3 components the distance learning component and the reserve component automated system both are related to our Military Program and will be briefed by Colonel Glenn Appe. The Skycell Communications Component which is the satellite telephones is the third component of our proposal and I will give an overview and we have Mr. Farlow here to answer any questions related to that. So with that I will turn it over to Colonel Glenn Appe to brief on the distance learning and the reserve component automated system.

Glenn Appe: Good Morning. In your handouts I will be working from the first set of colored slides initially and then we will move to the second set of slides. The Louisiana National Guard Distance Learning Project is an innovative approach to consolidating telecommunication resources for solving problems, delivering services, and generating revenues through the concept of shared usage of information technology infrastructure. Combining the federal resources allocated for the Reserved Component Automation System, with those allocated for the Distance Learning Project, and collaborating with the Office of Telecommunications Management, the Board of Regents, and the ATM Pilot Backbone Committee for efficient network integration is innovative. Collectively, these projects create an environment necessary for true reengineering through information technology and will provide numerous education opportunities throughout the communities we serve. We will improve the automation skills of our employees in our Guard through cost effective computer based training. We will employ an integrated information management system featuring distributive computing methods from our remote locations and that is integrated with our electronic records management system.

The shared use concept facilitates military use of the distance learning infrastructure on weekends and allows for that infrastructure to be utilize for adult education programs in the evening hours during the week and for alternative education programs in other State agency use during the week day. The Distance Leaning Infrastructure may also be used as a national gate way for research groups such as Southern Crossroads, Experimental Project for the Support of Competitive Research, Internet II, the very board band width network services project and the Digital Patient Record Project. Groups needing significant amounts of band width. This is not business as usual for the National Guard in collaborating with all these agencies in trying to pull all of these resources together. If you would turn to the second slide please. This map of Louisiana, and it should be labeled immediate sites, represents the distribution of federal distance learning classrooms that have been allocated to Louisiana. We have deployed the smaller sites labeled VTC and STC. The sites that are labeled Janice 1, 2, 3, and 4 will be deployed in September and October. The sites that are marked DMMC, MTC, and MMC, these are the larger federal classrooms that have compressed video and multi-media capability. We should be receiving those sets of equipment in the November time frame and we will deploy those immediately. The one question mark I have there is the LSU A site. And we are working with them and they want to provide the resources for the equipment, but it is depending on a pending grant proposal.

If you would turn to the 3rd slide entitled mid-term sites. This is where we want to go with the Distance Learning Project, and that is to deploy compressed video and multi-media classrooms to all of our battalion and major command headquarters locations. These are our core business units and geographically dispersed throughout the State. These locations are the focal point for our business process, re-engineering efforts. They offer the greatest opportunities to reduce travel cost as well as long-distance service charges, and are the best organized to support Distance Learning initiatives for military training, professional development and civilian education programs. Our basic implementation concept is to establish compressed video and multi-media site classrooms at these sites and audio graphic sites at all of our company and detachment locations. If you will turn to the next map of Louisiana, this map indicates all of our locations. The small dots are those company and detachment locations. As we received the archast equipment, and this also shows the archast infrastructure that is being deployed in Louisiana, it will consist of a frame rely for voice tied into the ATM backbone. We will have in excess of 900 desktop computers through 65 sites throughout the State. We intend to combine those resources if you would and establish not only the larger site

from the previous slide, but that at each one of those small sites we will take our older hardware and position them into classrooms. And then as the federal fleet of computers is upgraded, we will take those repositioned computers and work the small sites. The smaller sites we are looking at audio graphic capability only. We currently estimate the federal investment to exceed $11 million in the 2 projects. The Louisiana State investment about $600,000. While this is certainly a significant expenditure we do have several shortfalls and this grant will help overcome those shortfalls by providing the necessary funding for this innovative undertaking. A digital converged network, voice data and video over 1 ATM backbone.

If you=d turn to the next slide, it is a national map depicting the national network design. The stars are regional hubs, our regional hub is located in Arkansas, tied to each state headquarters B ours in New Orleans. And this system is up and running. So this is the system that we are tying everything into. If you will turn to the next slide entitled Proposed Wide Area Network Design, we worked this design up a couple of months ago with OTM, Sisco, Boeing and EDS and our folks, and this was the basic thoughts on how we would connect to the ATM project here in LA with OTM. At this point I would like to call your attention to the second set of slides because these are the newest slides that were just done in the last ten days and gives much more definition as to the positioning of the Sisco routers. We know there will be 3 different categories of routers and configurations for small, medium and large sites. It also shows how the classrooms will be linked into that network and linked into the ATM network. It shows the path for voice data and the compressed video for the Distance Learning Network. I will not go over each one of those slides, I would just say that it shows a lot more definition as to how we will use the Sisco routers and what I saw was the difference in the concentration site. Wherever there=s a concentration site there will be 2 Sisco routers, 2 different categories. Last slide of the first group, I guess is the bottom line. We are looking for an investment of $2.6 million over the next 2 years. It shows the federal investment for the 2 projects, the current State investment and I will go down what we are looking for in grant proposals. On the archast line, line 1 that $652,000 would represent what we need for hardware, software, and peripherals to bring up the current State workforce to the same level of automation that=s being deployed with the federal network. The network with the 900 desktops and servers. The State workers have to be brought up to work within that network. The second is $699,828 would be for PBX systems. In the past we have existed by obtaining 2nd and 3rd generation hand me downs of PBX=s from other agencies. While that was a cost effective and adequate solution, as we move into this digital network environment we do not think that's a prudent strategy. We need to upgrade the PBX systems that we have. Distance Leaning - Line 1 - The $667, 000 represent what we need to put those compressed video and multi-media classrooms at each of our battalion and major command headquarters. Line 2-the $154,000 represents two additional classrooms. We will be receiving a new battalion headquarters for Bossier City next year and we will be moving a battalion to the Carville Academy project. Line 3 - $500,000 represents what we would need to upgrade the Jackson Barracks and Camp Bouregard in Alexandria sites due to the density of troops we have in those two locations. We do have a federal classroom being positioned in New Orleans and Alexandria, however the troop density there and the anticipated increased of use of mutli-media training would call for a future increase capability.

The primary means for generating revenues to help us with the project will be by participating in the OTM Video Conferencing Network with these sites when they are not in use for the military through the shared use concept and by creating partnerships with other agencies for the use of these classroom facilities. By aggressive internal marketing of federal tuition assistance programs for

distance learning programs thus creating demands for the adult education population of the National Guard primarily, which is about 11,000 soldiers. By providing access to our national ATM backbone. By providing public access to information technology at affordable rates and last be not least, the least of idle work stations for tele-communting purposes. The State of Maryland has effectively covered their line charges by leasing out idle workstations during the week. We anticipate significant cost avoidance in the following areas: travel expenses, reduction of leased vehicle mileage use, training expenses, and lost productivity during travel status. We also anticipate significant decreases in long distance charges, duplication costs, and postage costs by the expansion of this network.

M. Appe: We are going to take questions in a minute. The third component of our grant proposal deals with the purchase of satellite based telephones and I=ll let Mr. Farlow, Chief of Operations and Communications for our Office of Emergency Preparedness

Farlow: My name is Matt Farlow and I=m the Chief of Operations for the Louisiana Office of Emergency Preparedness. And basically what I was looking for was a means of being able to communicate with the parish emergency managers and other state agencies in the event of a major emergency like a hurricane. In each of the prior hurricane after action reports communications has always been one of the issues. So we started looking at what do we do. Today we talked to the parish emergency managers through the use of telephone or we also have a statewide 800 MHz system. Those are all land line or tower based systems and they do go down when we have a hurricane. So we started looking for a product that we could talk that was there before during and after a hurricane or any other type of event. And what we selected for possible purchase is a Skycell Satellite Terminal. And we think this is very innovative because it has multiple uses. It is about the size of a laptop. It weighs about 6 pounds, has phone on it. Technically I=m sorry I don=t have one but all you have to do is lift the lid, point it toward the southern sky and you're in business. You can talk. Since most of the emergency operation centers are internal or inside of a building, you also have a flat 18 inch diameter dish that you can mount on the outside wall and connect to the system. If they had to evacuate their emergency operations center, all they=ve got to do is disconnect the antenna, go out and plug it into the cigarette lighter of their car and now their mobile. The terminal has multiple uses in addition to just standard voice, being able to talk to them. You can also connect your PC up to it. We use an EM2000 B its an Emergency Management Software package B to handle our tasking. We are currently populating that out to all the parishes. They can also connect up to it and send electronic request into the system. At the same time the system can also down link through a ground station in Virginia to get into standard telephone and cell phone systems. We also have a capability that we don=t have today in any existing communication system. We can setup talk groups. We have a SE hurricane task force and a SW hurricane task force and we also have sheltering task force. We can setup individual talk groups that if necessary we can broadcast to each one of those task force groups simultaneously and bring them into a conference link to pass on information.

M. Appe: I think the plan here was to purchase one of these units for each one of the 64 parishes as well as our headquarters in New Orleans and at the Office of Emergency Preparedness. One of the reasons we linked all of this together is because obviously you=ve seen the link between the reserve coming on at an automated system and the distance learning. Can the Office of

Emergency Preparedness use that System? Of course. We can save just as much travel time and training time training emergency management personnel in the 64 parishes that we=re going to have the distance learning setup in. Can the military use these Skycell telephones? Of course. We can use them in military operations. So it all kind of ties into one. That we think all three of these components should be looked at individually but also be considered interrelated as a benefit. We think that is a very innovative way and is consistent with our strategic plan moving into the next millennium. At this point we will take any questions.

Austin: It appears that the sum total of all of your request is roughly $3.2 million, and as per the guidelines of the innovation fund, awards are limited to $1 million. If you had to prioritize these, and you just stated that they are all interrelated. If you had to prioritize these things that you presented to us today what would your priority be?

M. Appe: I believe to try to purchase the satellite telephones for the emergency preparedness and then we would take the remaining funds and split it up between the archast or reserve component automation system and the distance learning project. I think distance learning and the reserve component automated system is going to be phased in over the next couple of years, where the Skycell telephone is going to be basically a one time cost and that would put us up to state of the art communications and provide a critical backup communications we need for State disasters today. But we would like B You know like I said you know lumped these three together because they are interrelated B there are two separate programs we are talking about here and three separate proposals that we kind of put an overview and we just thought it would make a better presentation if we presented them together.

Austin: I understand. We appreciate that,but because your request far exceeds the amount of an award thanwe can give,that=s why I asked that you all prioritize them for us. Any other questions from the council?

Hagan: I guess I have to commend you on such a comprehensive approach to this entire thing and I think all of this is very innovative. In looking through it I really didn=t have any technical questions because I think you=ve gone through so much detail here and you=ve addressed it with OTM and the other folks here that I think you=ve done a very good job of it. If you had the funding today how long would it take to implement this?

M. Appe: I could implement the classrooms upon receipt. In other words, they delivered the first four small size, we deployed them and got them operational. As soon we receive the next 4 they will be up. So we are prepared to as we receive them. There may be some lag time in getting the circuits through OTM. It has not come to that point yet. We will have that first grouping that we received -- by Christmas time they should be up and operational. The only thing for the classrooms that are tied to the EDS and National bureaus, they are going through deploying those sites. So if they hit a snag at another state we may get a little slippage, but we are prepared here in Louisiana to get them up an operational.

Hagan: In dealing with OTM, is the ATM component of this B how soon is that going to be available?

M. Appe: Well we are going to be at the beta test. We=ve received the first group of Sisco routers and we=ve had some training for our initial folks on how to work with them. Next month we should start the beta test on two small sites to see that the configurations work, and due we get the quality of voice that is touted by the contractors. But it has worked in other sites and has worked in lab environment so we=re competent that we have heavy participation with Sisco EDS and Boeing. So we=re comfident that we=re going to get the support we need as we deploy this thing out. And the data and video piece does not appear to be a real problem, you know, just cutting it over into the network.

Austin: Thank you. LSU Shreveport.

Farrell: Good Morning or Noon really. I=ll make this brief. My name is Michael Farrell and I=m the Vice Chancellor of Business Affairs at LSU Shreveport. On my right is John Antilock from the LSU System and on my left here second is Shelby Keith is our Director of Computing Services of LSU Shreveport. We do have a home grown system dating back to 1967. Some of the programs that still operate date back to 1967. But we have problems with technology, requests from departments, new services that we want to provide to students, to faculty, to staff, but we cannot provide these services because of the fact of the limitations that we have in our programming staff. WE have 4 programmers for our entire staff. They management to keep our system operating. They do revisions as required by State and federal laws when changes come about and make their revisions as they come about that we need to have made. But to do an overhaul of our system is completely impossible under the current circumstances. Working with the LSU system over the last couple of years, we have done research because we=re not the only school that has the same problem. Other schools in the LSU system and statewide have similar problems. But working with the LSU system people have chosen software to be adopted if we can go and change our operating system and go change our program. That is our proposal that we=re bringing to you today. We do not have the funds to fund this type of purchase within our operating fund. It is an innovative system. It will actually change how we do business on our campus. As a prime example, requisitions for procurement will be done electronically. Now everything is done manually. Basically a requisition is typed, has to be approved by several offices, goes to finally to purchasing, they cut a manual purchase order and then it finally gets encumbered into the accounting records. We will do things electronically which will speed things up. We will be able to provide additional services to students such as degree audit plan where that student can track his degree as progress towards getting his degree. Also an interactive student financial aid package. We=ve been working on some programming towards financial aid. Over the last 5 years we=re still several years away from being interactive. Purchasing this project and putting it together will be active in just a matter of a couple of years for the whole administrative software package which includes human resources, financial, student records, and student financial aid.

Keith: My name is Shelby Keith. I=m the Director of Computing Services at LSU S. The problem with giving your boss your information ahead of time is that whenever he is on before you he says basically everything that you were going to say, so I=m not going to repeat all the things that he has talked about. I would just like to note that according to the guidelines of the LA Technology Innovation Fund we=re looking for ways to demonstrate innovative use of technology or reengineer the work process as Mr. Farrell has stated. This will indeed occur at our institution. To link a cross program to agencies with the implementation of this system, we will also be linked with other Universities within the LSU system. This will mean that the LSU system office for instance

whenever they need information for the legislature or the Division of Administration, Budget Office or whatever, they will have up to the minute data available to them without having to involve personnel to do programming and things of that nature. As far as promising substantial benefits to the public such as improved information and dissemination and increased timeliness or quality of service has already been stated. Of course we are an education institution. So our primary public is students. This will allow the implementation of this system will allow them to access their information via the Internet as well as through telephone response system to do such things as register, applications, find out their grades at the end of the semester all of these various things. As to the benefit of cost savings, lower operating costs, this system will allow for instance the internal auditors here in Baton Rouge although we like to see them on our campus they would not have to travel to Shreveport to do all of the auditing functions. They would be able to do many of the auditing functions from their desktop because they would be connected into the system. So we do believe that our proposal meets all three of these criteria that are set forth in the guidelines. Really for the interest of time, that=s basically all that I have to say about it. We will certainly entertain any questions or any other comments.

Hagan: Has the LSU system office made a determination this is where LSU as an entire system is going?

John: My name is John Antilock. I am Director of Budget and Finance for the LSU System. About 3 years ago our Board requested that we look into acquiring or developing a uniformed financial accounting, reporting, and administrative services system. We looked around and decided that there were existing products on the market that would offer the pieces we needed at a substantial cost saving over developing them in-house. At the time there were only 2 vendors that offered fully functional products B Banner SET and People Soft. The Committee in charge of the product decided on People Soft. Once we did that the negotiators did some hard bargaining and over about a 9 month period got the price down from about little over $23 million to about $6.5 million. We all know that there is a large market in software and the initial quote for the Shreveport campus was $1.7 million approximately. And the final cost for the software alone is $235,000 I believe. This is where we would like to go. We feel that all the campuses would have to do is come on-line immediately. Right now UNO and the Medical Center have begun implementation of this system--Shreveport if they get some funding will be next. The main campus here in Baton Rouge is still evaluating the software and we think that they are likely to choose to implement the human resource module initially. But they're still evaluating and the overall final decision has not been made yet. We feel it=s a superior product and will offer many solutions to providing information to the campus level, to the system level, and to external reporting requirements of both the Executive Branch and the Legislative Branch.

Hagan: If I=m understanding you correctly you are saying that the Baton Rouge branch is evaluating the software.

John: The campuses can either implement either all or part of the module. For example, the campus at LSU. Their financial accounting module is currently state of the art. It was developed a few years ago. Their student financial aid module just came on-line a while back and is considered state of the art. The human resource and payroll which is the 3rd module offered by People Soft needs some work in the main campus. Right now they are trying to decide whether they ought to develop an in-house or purchase this product. Either way we aim to have all the campuses

integrated and be able to provide system wide reports as needed.

Hagan: I understand that the Division of Administration has evaluated these packages and picked SAP and I guess in an ideal world there would be one solution that fits all. Why did you reject SAP?

John: At the time SAP did not have a product available to us. They were just getting into the public sector. As you are probably aware they have a very large presence in the private sector. They dominate the presence as a matter of fact. I was not on the committee, but I understand the committee was looking for those companies that specialized in higher education. And that=s where we are.

Hagan: Your original request was like $406,000

Farrell: The original request was that the LSU system was going to the legislature to get the funding for the software. So we were coming through your committee here to get the hardware to go along with that. There is no need to double dip. But then their efforts failed and so we asked if we could amend our proposal to include the software.

Hagan: Okay.

Austin: Thank you. LSU Medical Center of New Orleans.

Dr. Richard Ferrans: Last but not least.

Austin: Thank you for your patience.

Ferrans: Thank you for your patience and I sense that we will get bonus points if we are brief. I=m not known for my brevity so I=m going to have to try very, very hard. I consider it a great privilege to be here and I want to thank you all for this opportunity for two reasons--#1 the opportunity to fund what we feel is a very important and innovative project and #2 to continue the dialog of telling people what we are trying to do to improve patient care and to reform the public hospital system in Louisiana. And I should introduce myself. My name is Dr. Richard Ferrans. I=m the Chief of Medical and Formatics in Tele-Medicine for LSU Medical Center in New Orleans. On my right is Mr. Perry Swab who is the assistant to Dr. Robert Marier, Dean of LSU in New Orleans. He is the assistant for information services. I function as the Chief Medical Information Officer and I work with computer services and all the other various groups that at a strategic level try and implement technology to change how we do business, but most importantly we want our doctors and nurses to be taking care of the patients and talking to the patients instead of looking everywhere for missing reports and x-rays and files and things like that.

It is very important for us to try and do that. It is a problem that we do not face alone. Everywhere in the country this is a major issue and which really brings us to where we are today and what we are really trying to do is to implement solutions rather than technology. In doing so, we=re not just doing things here at a local or state level but also at a national level. Together, Perry and I and others have

given briefings o groups like the American Medical and Formatics Association, the National Library Medicine Board of Regents, the National Committee for Vital and Health Statistics, Members of Congress, and Senior Members of the Executive Branch. We work closely with the leaders in the military health system and the VA on a very large and probably the largest health care formatics project at this time which is the GCPR which I=ll talk about in a minute. We also speak to a number of corporate executive people from GE and Microsoft and other companies.

This is really important to what=s going on at LSU and what we=re trying to do and what we=re really trying to do is implement the system of computerized patient records that is open and modular and that can meet the needs of capturing all of this information and doing so in a secure environment. The data has to be accurate and we need to have that data absolutely secure. For the accuracy, the garbage in garbage out statement pretty much says it all. Because all medical information is centered around the patient's identity, we need to be absolutely certain of the identity and that may seem like a very obvious task, but with 1.5 million outpatient visits a year and 80,000 inpatient visits a year, even a small error rate effects thousdands of people. We have people with the same last names coming in under different names or middle names. We have people using other identities. We have people using other people=s charity hospital cards. We have a significant number of patients who have altered mental status who are unconscious or unable to give us their identities. This has medical implications in terms of us being able to rapidly access their allergies, their past medical history and it has administration and financial implications because of the way we finance care. If we don=t know who someone is and can=t ascertain it, a lot of time there is a tendency to say well this is free care and we are not getting reimbursed for that care. Of course with security, this is probably one of the foremost issues in Medical Formatics today and is going on in the public and in legislatures all over the country in how do we protect the people=s confidentiality and their privacy. We take this very seriously. So much so that we want to go way above and beyond what the Aminimum standards@ would be for this. The National Academy of Sciences have recommended and the Secretary of HHS has recommended a number of things. User Restrict - User Access Controls B Audit Trails B and the ability to authentic people=s identities. This is what we=re proposing to build. This is using what we call Bio-Metric Technology which is any unique identifier which can say who a person is. It can be a representation of a retinal scan or representation of their voice or even of their foliage of their face or a system of scanning fingerprints.

I can say that if you can just remember one thing from this proposal B I would like to clarify one thing. The system that we are implementing will use a scanner which will read the finger tip and immediately convert that into a numerical digital representation. We will not be storing electronic fingerprints. We will be storing a long series of numbers that represents a unique identifier based on that person=s fingerprint. So we have no fingerprint file. This is a derived number through a complex mathematical acronyms that=s done instantaneously. So what we=re doing is we=re creating a unique Bio-Metric identifier that we can then go back and use to identify patients. This way we know actually who is who. In simplest terms., what=s good for the goose is good for the gander. We don=t ask anything of our patients that we don=t require of our own staff. The Medical Center is committed to requiring staff to do the same thing for them to log on to work stations. This technology is coming and in the coming years it will be embedded into computer keyboards that are sold over the counter. It will be a postage size stamp or even on computers where you=ll put your finger down and it will unlock the work station. No need for user ID=s and passwords and things like that. That=s really where a lot of the security problems come from people stealing or lending out their user ID=s and passwords. W really can=t afford that sort of problem. We think that the ability

to authenticate identifies combined with an ability to search through secured Internet connections, eligibility data bases which are now commercially available will allow us for every 1% of patients currently misidentified. And again that presumes that we're 99% accurate now. We will be able to recoup a million dollars worth of revenue according to if we do this on inpatients with their average length of stay and given the number of patients that we're currently seeing in the system. We also are proposing this bar code tracking system. Our patients are increasingly now in the hospital for very brief periods of time and we are on very, very tight schedules. If we miss one diagnostic exam and we say well we called for the patient and but they weren't there, they were Asomewhere else@ and so we will reschedule the test for tomorrow. It's another day in the hospital. And this is a issue that brings up the issues of trying to get patients out of the hospital when they want to go home. Trying to practice medicine as efficiently as possible and our ability to track patients in cases of emergencies and other things are very important to us. We think that the bar code technology is a very proven technology with billions of packages being used. National standards are being set for all medical equipment, all medical devices and drugs. And increasingly you're going to see this technology in the hospitals. We will also have this technology for nurses to enter the vital signs. They can swipe the patient's bar code and enter on the little bar code reader. They can enter in the vital signs, go back and cradle it in the workstation and it will up load to our clinical data base. And we people look at doing laptops and also mini-laptops B those are more expensive solutions. Those are solutions that also have problems with support, maintenance and theft realistically. So we think that this is a good value for what we are trying to do.

And finally I'm going to skip through the rest of my remarks and I'd just like to close by saying that you know we hope that our solution has national implications. As I said, we are working on a project with the Department of Defense and the Department of Veterans Affairs, and the Indian Health Services as set national standards for computerized patient records. And we think that some of these best practices that we are all looking at each other agencies to try and adopt will be adopted more broadly and we hope to try and pave that road nationally and with other state agencies I think that everyone has a need for workstation security and we would like to prove in a large implementation that this is feasible, that it works, that's cost effective and that others can use it. In health care I can tell you that there are some early adopters of this B let you know that we are not the very first B but we are certainly on the leading edge. The Mayo Clinic in Arizona and the Mayo Clinic in Florida are both in the process of lulling this out.

Austin: Questions?

Beyer: I really like this project. A couple of weeks ago I was out at Public Safety and they've got a jukebox with I don't the capacity, but I think tri-bites of fingerprints for drivers licenses and they use this for law enforcement activity. And as I understand what you say there is really no connection between that technology and what your doing and is that by design or

Dr. Ferrans: I believe it's by design I think for two reasons. #1 from the standpoint of storage. It is much more efficient to store a string of unique numbers even 12 or 15 characters than it is to store a high quality fingerprint image that can be done. And there necessity is to have it of a sufficient quality where I would presume they would be able to match it against FBI databases and things like that. And ours is separate from that. We think it addresses a lot of the privacy concerns. And it is incumbent upon us to inform the patients and the doctors and nurses that they are going to be using it also of that information.

Beyer: OK. Thank you.

Dr. Ferrans: I did want to mention that the Medical Center doesn=t operate in a vacuum. I=ve had the pleasure of working with Billy Yarborough on the Iota project and I can tell you that using the tele-medicine systems since I=m also the director of tele-medicine that we think that it has really made a difference in the lives of those patients there and I very strongly support their initiatives. I think it will bring a lot of benefit to people who are currently at risk because of their underlying medical conditions. I can also say that LSU has invested millions of dollars in the ATM pilot project and we=re very proud of our affiliation with the National Guard that continues to grow in a number of different arenas and they are brining a lot of energy and resources and innovation to what we think is a real shared network for healthcare, education, and the Guard and a number of other things. With whatever limited good will that we have, we would like to offer a little bit to them because we think that their projects are very important also.

Austin: I think this is a great project too, but I guess my only concern is the place you=ve selected as your pilot B your largest facility. Is there any rhyme or reason to why you selected your largest facility and the one with the biggest headaches B there=s no easy way to put it.

Dr. Ferrans: I think the reason that we=ve selected it is because it is also the place that will be first for the roll out of the actual thin client workstations that will be going out to all the public hospitals. And because it=s first and because the win frame servers have been installed their first its the logical place for us to start securing those workstations unlike other systems perhaps. We have to have that security in very good shape as we start to bring information on-line. We can=t sort of take that as an after thought. So because it is first. We will do a subset of it first.

Austin: Okay.

Dr. Ferrans: I assure you.

Austin: Good.

Perry Swab: In addition, its geographic location helps. The center of expertise in this project will be located in New Orleans, possibly adjacent to the hospital. So it=s also very convenient for us in this beta stage to be close to our kind of extended test lab so to speak as opposed to picking another facility that would not be as convenient in the development.

Austin: The total of this request is $1,016,138.

Dr. Ferrans: That=s correct.

Austin: What about when you get ready to roll out the other hospitals? Have you all done any estimates on what the cost would be to roll out with the others?

Dr. Ferrans: The 1,600 workstations that we mentioned for these to go on would cover virtually all of the hospitals. We=ve planned for about 2,000 of those workstations for the hospitals and this is going to be phased in. Also the Medical Center has agreed that because we are in the business of

doing statewide implementations that this is another project that will have statewide implementation and we will use the same support staff through the Health Care Services Division to actually do the implementation. So that=s really our in kind contribution. These are the same people that are rolling out People Soft for the entire medical center. These are the same people that have rolled out the ATM pilot project in the Network Services Division there. So we say that this is another one and that this is a priority for us and we=re going to do it. And so that handles the support and the maintenance cost. There is that up front cost for equipment. Beyond that we are committed to fully funding this because security is one of the things that we have to do and we will continue to do that and do so aggressively.

Austin: Thank you.

Dr. Ferrans: Thank you.

Austin: Council members, we=ve heard $8.8 million in requests this morning. We need to select a date when we will meet again.

Speer: Let=s do this quickly before I forget all this stuff.

Austin: Okay. That=s fine with me. Other members? I say lets do it this month. Let=s say 1:30pm on the 24th of August. We will notify these folks from this morning that we will be making our selections on that date and allow them to come. It=s a public meeting, but we will not allow them to talk.

Chairperson Austin called for adjournment. Bill Beyer seconded the motion.